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Base Prospectus

FORTIS BANK NV/SA
(INCORPORATED AS A PUBLIC COMPANY WITH LIMITED LIABILITY (NAAMLOZE VENNOOTSCHAP/SOCIÉTÉ ANONYME) UNDER THE LAWS OF BELGIUM, ENTERPRISE NO. 0403.199.702, REGISTER OF LEGAL ENTITIES OF BRUSSELS)
AND
BNP PARIBAS FORTIS FUNDING

(INCORPORATED AS A SOCIÉTÉ ANONYME UNDER THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG REGISTERED WITH THE LUXEMBOURG REGISTRY OF COMMERCE AND COMPANIES UNDER NO. B 24,784) UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY FORTIS BANK NV/SA

EUR 30,000,000,000
Euro Medium Term Note Programme

Under this Euro Medium Term Note Programme (the **"Programme"**), FORTIS BANK NV/SA (**"Fortis Bank"**) and BNP PARIBAS FORTIS FUNDING (**"BP2F")** and together with Fortis Bank, the **"Issuers"** and each an **"Issuer"**) may, from time to time, issue Euro Medium Term Notes (the **"Notes"**), subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate approval or other consents. Notes issued by BP2F will be guaranteed on a subordinated or unsubordinated basis by Fortis Bank NV/SA (the **"Guarantor"**).

This base prospectus (the **"Base Prospectus"**) prepared in connection with the Programme constitutes two base prospectuses, the Fortis Bank Base Prospectus and the BP2F Base Prospectus (each as defined below) and each a base prospectus for the purposes of Article 5.4 of 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 revised, supplemented or amended from time to time by the Issuers and the Guarantor. As a result, Notes issued under the Programme may be offered to the public or/and admitted to trading on a regulated market as more fully described below and subject to the relevant implementing measures of the Prospectus Directive in the relevant Member State. The term "**regulated market**" as used herein shall mean a regulated market as defined in Directive 2004/39/EC on markets in financial instruments.

The Fortis Bank base prospectus (the **"Fortis Bank Base Prospectus"**) will comprise this Base Prospectus with the exception of (a) the information in the sections entitled "Description of BNP Paribas Fortis Funding.", "Risk Factors – Additional Investment Considerations Relating to the Business of BP2F" and "Description of the Guarantee" and (b) the audited annual financial statements of BP2F for the financial years ended 31 December 2009 and 31 December 2010. The BP2F base prospectus (the **"BP2F Base Prospectus"**) will comprise this Base Prospectus.

Notes issued by BP2F under the Programme may be in the form of the new global note, the format for international debt securities which will ensure compliance of the Notes with European Central Bank (**"ECB"**) Standard 3 eligibility criteria for use as collateral in Eurosystem monetary operations. Notes issued by Fortis Bank will not be issued in the form of a new global note but, being deposited with the National Bank of Belgium, will be eligible for use as collateral in Eurosystem monetary operations.

A general description of the Programme can be found on page 47. The aggregate principal amount of Notes outstanding from time to time will not exceed EUR 30,000,000,000 (or the equivalent in other currencies, as calculated by reference to the aggregate principal amount of the Notes), subject to any duly authorised increase. The Notes will be issued on a continuous basis. The Notes may bear interest at a fixed or floating rate, on a variable coupon amount basis or any combination of those or may be issued on a fully discounted basis and not bear interest, and the amount payable on the redemption of Notes may be fixed or variable. The Notes may also be redeemed by delivery of shares, bonds or loans. Notes will be issued in series (each a **"Series"**) having one or more issue dates and the same maturity date (if any), bearing interest (if any) on the same basis and at the same rate and on terms otherwise identical. The length of interest periods, and the rate of interest in respect thereof, may differ from the length and the rate of interest in respect of subsequent or, as the case may be, preceding interest periods. Each Series may be issued in tranches (each a **"Tranche"**) on different issue dates. The specific terms of each Tranche will be set forth in a set of final terms to this Base Prospectus which is the final terms document substantially in the relevant form set out in the section entitled *"Form of Final Terms"* on page 249 which will be completed at the time of the agreement to issue each Tranche of Notes and which will constitute final terms for the purposes of Article 5.4 of the Prospectus Directive (the **"Final Terms"**).

The Issuers may redeem the Notes if certain changes in Luxembourg or Belgian taxation law occur or, if the Final Terms issued in respect of any Series so provides, in the circumstances set out in it. An Issuer and, if applicable, the Guarantor, may agree with any Dealer (as defined below) that Notes may be issued, offered to the public, and/or admitted to trading on a regulated market in a form not contemplated by the Terms and Conditions of the Notes described in this Base Prospectus, in which event a supplement to the Base Prospectus, or, if appropriate, a Drawdown Prospectus (as defined below), will be submitted for approval to the relevant competent authority and will be made available.

In the case of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Moreover, an investment in Notes issued under the Programme involves certain risks. **Prospective investors and purchasers should consider the investment considerations set forth in the section entitled *"Risk Factors"* on page 11 as well as the selling restrictions as set out in the section entitled *"Plan of Distribution"* on page 239.**

This Programme has been rated by Moody's Investors Service Limited (**"Moody's"**), Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies Inc. (**"S&P"**), and Fitch Ratings Ltd. ("**Fitch**"). **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 Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "CRA Regulation") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Each of Moody's, S&P and Fitch is a credit rating agency established and operating in the European Community prior to 7 June 2010 and has submitted an application for registration in accordance with the CRA Regulation and, as at the date of this Prospectus, such application for registration has not been refused**. Nevertheless, some Tranches of Notes issued under the Programme may be assigned a specific rating that will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the relevant assigning rating agency.

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the **"CSSF"**), which is the Luxembourg competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg Law dated 10 July 2005 on prospectuses for securities, and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Consequently Notes issued under the Programme may be offered to the public, in accordance with the requirements of the Prospectus Directive.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (the "**Luxembourg Regulated Market**") under the Prospectus Directive during the period of 12 months after the date of publication of this Base Prospectus. The Luxembourg Regulated Market is a regulated market for the purposes of Directive 2004/39/EC. Application may also be made for Notes under the Programme to be admitted to trading on another regulated market or on the Euro MTF, during the period of 12 months after the date of publication of this Base Prospectus. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuers.

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The CSSF has been requested to provide the Belgian *Financial Services and Markets Authority* (the **"Belgian FSMA"**), the Italian *Commissione Nazionale per le Società e la Borsa* (**"CONSOB"**), the Dutch *Autoriteit Financiële Markten* ("**AFM**"), the French *Autorité des marchés financiers* ("**AMF**"), and the German *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**") (in their respective capacities as the relevant host Member States' (as defined below) competent authority for the purposes of the Prospectus Directive) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

The CSSF may be requested, from time to time, to provide certificates of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the competent authorities (for the purposes of the Prospectus Directive) of other European Economic Area Member States.

The Notes will be offered by the Issuers through Fortis Bank NV/SA (the **"Dealer"**, which expression shall include any additional dealers appointed under this Programme from time to time, for a specific Tranche of Notes or on an ongoing basis, and details of which in relation to each Tranche will be set forth in the relevant Final Terms). The Issuers or the Dealers may reject any offer as a whole or, subject to the terms of such offer, in part. Dealers may also purchase Notes on their own behalf. An issue of Notes may also be underwritten by two or more Dealers on a several basis only or on a joint and several basis. For further details, please refer to the section entitled *"Plan of Distribution"* on page 239.

Each Tranche of Notes issued by BP2F in bearer form will, unless otherwise provided on the Final Terms, initially be represented by a temporary global Note which will be deposited on the issue date with (i) a common depositary or a common safekeeper (as the case may be) on behalf of Euroclear Bank S.A./N.V., (**"Euroclear"**) and/or Clearstream Banking, société anonyme, Luxembourg (**"Clearstream, Luxembourg"**) and/or any other relevant clearing system. Interests in temporary global Notes will be exchangeable for interests in permanent global Notes (together with any temporary global Note, the **"Global Notes"**) or, if so provided in the relevant temporary Global Note, for definitive Notes in bearer or registered form after the date falling 40 days after the completion of distribution of the relevant Tranche upon certification as to non-U.S. beneficial ownership in the manner and upon compliance with the procedures described under "Summary of Provisions relating to Global Notes". Interests in a permanent Global Note will be exchangeable for definitive Notes in bearer form or registered form, in each case as described in the section entitled *"Summary of Provisions relating to Global Notes"* on page 196.

In the case of Notes issued by Fortis Bank and if so provided in the relevant Final Terms, the Notes will be represented by a permanent Global Note which will be deposited on or about the issue date with the National Bank of Belgium or any successor thereto (the **"NBB"**) as operator of the X/N System or its custodian.

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 European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of 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 from the relevant Issuer, the Guarantor or the Dealers 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 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 and such offer is made on or prior to the date specified for such purpose in such prospectus or Final Terms as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the relevant Issuer, the Guarantor nor the Dealers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Dealers to publish or supplement a prospectus for such offer.

In the case of Junior Subordinated Notes issued by BP2F only, payments of principal and interest are conditional upon the Guarantor being solvent at the time of payment and in the event of the winding-up of the BP2F, the Guarantor shall become the principal debtor and the Noteholders shall cease to have any rights or claims against BP2F, as more fully described in the section entitled *"Terms and Conditions of the Notes – Status and Guarantee" and "Terms and Conditions of the Notes – Events of Default"*.

Arranger and Dealer for the Programme
Fortis Bank

This Base Prospectus is dated 17 June 2011.

This Base Prospectus supersedes all previous offering circulars or base prospectuses in connection with the Programme. Any Notes issued under the Programme are issued subject to the provisions set out herein. This does not affect any Notes already issued or any Notes issued after the date of this Base Prospectus and forming a single Series with Notes issued prior to the date of this Base Prospectus. This Base Prospectus should be read in conjunction with any supplement hereto and any other documents or information incorporated herein by reference and, in relation to any Tranche of Notes which is subject to Final Terms, must be read and construed together with the relevant Final Terms.

Responsibility Statement

This Base Prospectus has been prepared for the purpose of giving information with regard to the Issuers, the Guarantor, their respective subsidiaries (if any) and the Notes.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus. Each of the Issuers and the Guarantor declare that, having taken all reasonable care to ensure that such is the case the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Notice

Each of the Issuers and the Guarantor confirms that this Base Prospectus contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuers and, where applicable, the Guarantor and of the rights attaching to the relevant Notes.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein in the section entitled "Terms and Conditions of the Notes" (the ***"Conditions"****) as supplemented by a document specific to such Tranche called Final Terms or in a separate prospectus specific to such Tranche (the "****Drawdown Prospectus****") as described in the section entitled "Final Terms and Drawdown Prospectuses" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.*

This Base Prospectus should be read and construed with any supplement hereto and with any other documents or information incorporated by reference herein and in relation to any Tranche (as defined herein) of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

Neither of the Issuers nor the Guarantor have authorised the making or provision of any representation or information regarding the Issuers, the Guarantor or the Notes other than as contained or incorporated by reference in this Base Prospectus or any Final Terms or as approved for such purpose by the Issuers or the Guarantor. Any such representation or information should not be relied upon as having been authorised by the Issuers, the Guarantor or any Dealer.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change or any event reasonably likely to involve any adverse change in the prospects or financial or trading position of the Issuers or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied, or if different, the date indicated on the same.

The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus please refer to the section entitled "Plan of Distribution" of this Base Prospectus.

Neither this Base Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for or purchase, any Notes and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that the recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers and the Guarantor.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus, nor separately verified the information contained or incorporated by reference in this Base Prospectus and none of them makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information (including that incorporated by reference) in this Base Prospectus. Neither this Base Prospectus nor any other financial statements incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other financial statements incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and in the relevant Final Terms, and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information (including that incorporated by reference) coming to the attention of any of the Dealers.

The Stabilising Manager, named in the relevant Final Terms, shall comply with all relevant laws, regulations and directives. References in the next paragraph to "this issue" are to each Series in relation to which a Stabilising Manager is appointed.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to listing on the official list and to trading on the Luxembourg Regulated Market and/or any other regulated market as defined in Directive 2004/39/EC, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) 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 of Notes 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 of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

In this Base Prospectus, references to a ***"Member State"*** *are references to a Member State of the European Economic Area, references to* ***"EUR"***, ***"euro"*** *or* ***"€"*** *refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to* ***"GBP"*** *or "£" refer to Sterling, the lawful currency of the United Kingdom, references to "dollars",* ***"U.S. dollars"***, ***"U.S.$"***, ***"USD"*** *or* ***"$"*** *refer to United States dollars, references to* ***"Japanese Yen"***, ***"Yen"***, ***"JPY"*** *and* ***"¥"*** *refer to the lawful currency of Japan, references to* ***"Swiss Francs"*** *and* ***"CHF"*** *refer to the lawful currency of Switzerland, references to* ***"Roubles"*** *refer to the lawful currency of the Russian Federation, references to* ***"S$"*** *refer to the lawful currency of Singapore, and references to* ***"billions"*** *are to thousand millions.*

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SUMMARY

This summary must be read as an introduction to the Base Prospectus of the Issuers dated 17 June 2011 that constitutes a base prospectus for Fortis Bank and a base prospectus for BP2F for the purposes of Article 5.4 of the Prospectus Directive. Any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Such Base Prospectus is available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) (in the case of Notes listed on the Official List and admitted to trading on the Luxembourg Regulated Market) and on the website of Fortis Bank (www.bnpparibasfortis.com) (under the heading "Investors")). Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area no civil liability will attach to the persons taking responsibility for the Base Prospectus (the "Responsible Persons") in any such Member State solely on the basis of this summary, including any translation thereof, 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 European Economic Area, 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.

1. Key Information About the Notes Issued Under the Programme

The Notes may be issued by BNP Paribas Fortis Funding (**"BP2F"**) or by Fortis Bank NV/SA (**"Fortis Bank"**) (each an **"Issuer"** and together the **"Issuers"**). Each of the Notes issued by BP2F have the benefit of a guarantee from Fortis Bank (the **"Guarantor"**). The guarantee relating to such Notes may be a senior guarantee, a senior subordinated guarantee or a junior subordinated guarantee.

The Arranger of this Euro Medium Term Note Programme is Fortis Bank. The Fiscal Agent, Principal Paying Agent and Luxembourg Listing Agent is BNP Paribas Securities Services, Luxembourg Branch.

The Issuers may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in any currency. The aggregate principal amount of Notes outstanding will not at any time exceed EUR 30,000,000,000 (or its equivalent in other currencies), subject to any duly authorised increase.

The Notes may be issued in bearer form or (in the case of Notes issued by BP2F only) in registered form, with or without interest coupons, and in certain circumstances, (in the case of Notes issued by Fortis Bank only) in denominations of not less than EUR 1,000 (or nearly equivalent in another currency).

The Notes may be issued as unsubordinated obligations, senior subordinated obligations or junior subordinated obligations of the relevant Issuer. The Notes will have the benefit of the events of default set out in the section entitled *"Terms and Conditions of the Notes"*.

The aggregate principal amount, any interest rate or interest calculation, the issue price, maturity, redemption amount, optional redemption and any other terms and conditions not contained herein with respect to each Tranche of Notes will be established at the time of issuance and set forth in the relevant Final Terms.

The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law except for (i) in the case of Notes issued by BP2F, Conditions 3(b) and 3(c) which shall be governed by, and construed in accordance with Luxembourg law and Conditions 3(e) and 3(f) which shall be governed by, and construed in accordance with Belgian law and (ii) in the case of Notes issued by Fortis Bank, Conditions 3(b), 3(c) and 10(a)(ii) which shall be governed by, and construed in accordance with Belgian law. Guarantees to which Condition 3(d) applies are governed by, and shall be construed in accordance with English law. Guarantees to which Condition 3(e) applies and Guarantees to which Condition 3(f) applies are governed by, and shall be construed in accordance with, the laws of the Kingdom of Belgium.

A general description of the Programme can be found on page 47 of the Base Prospectus.

The distribution of the Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Prospective investors and purchasers should consider the selling restrictions as set out in the section entitled *"Plan of Distribution"* on page 239 of this Base Prospectus.

2. The Issuers and the Guarantor

2.1 Fortis Bank

Fortis Bank is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law. The registered office of the company is located at 1000 Brussels, Montagne du Parc 3, where its headquarters are based.

In Belgium, Fortis Bank is subject to the supervision by both the prudential authority NBB (National Bank of Belgium) and the market authority FSMA (Financial Services and Markets Authority).

Following the implementation on May 13, 2009 of a *protocole d'accord* dated October 10, 2008 (and as further amended) between BNP Paribas, the Belgian Federal Public Service for Participations and Investments (**"SFPI/FPIM"**), Fortis Holding and Fortis Bank, Fortis Bank (the **"Protocole d'Accord"**) is now owned at 74.93 per cent. by BNP Paribas and at 25 per cent. by the Belgian State, through the SFPI/FPIM.

Since May 14, 2009, for its retail, private and commercial activities in the Belgian and Polish market, Fortis Bank operates under the commercial name of BNP Paribas Fortis.

Fortis Bank offers a comprehensive package of financial services through its own channels and via other partners to private, professional and wealthy clients in the Belgian market, as well as in Poland and Turkey. Fortis Bank employs 27,870 people.

Fortis Bank has built up a strong presence in the retail and private banking market, operating through a variety of distribution channels. In Belgium, the company delivers universal banking and insurance services and solutions to its retail customers. In other countries, the product offer is tailored to specific customer segments.

Private Banking offers integrated and international asset and liability management solutions to high net worth individuals in Belgium, their businesses and their advisers.

Fortis Bank also offers financial services to companies and institutional clients and provides integrated solutions to enterprise and entrepreneur. Corporate and Public Banking fulfils the financial needs of corporate and midcap enterprises, public entities and local authorities through an integrated international network of business centres.

In May 2009, Fortis Bank joined the BNP Paribas group (the "**BNP Paribas Group**") (of which BNP Paribas is the parent company), a European leader in banking and financial services.

2.2 BP2F

BP2F has its registered office at 67, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. It is owned at 99.995 per cent. by Fortis Bank and acts as a financing vehicle for the Fortis Bank group.

BP2F's main object is to grant loans to Fortis Bank and its affiliates. In order to implement its main objective, BP2F may issue bonds or similar securities, raise loans, with or without a guarantee and in general have recourse to any sources of finance. BP2F can carry out any operation it perceives as being necessary to the accomplishment and development of its business, whilst staying within the limits of the Luxembourg law of 10 August 1915 on commercial companies (as amended).

The long-term debt of BP2F is admitted to listing on the official list and trading on the Luxembourg Regulated Market and/or on Euronext Amsterdam and/or on Euronext Brussels. The debt securities are sold to investors all over the world but within the scope of any applicable selling restrictions.

3. Risk Factors

An investment in Notes issued under the Programme involves certain risks. **Prospective investors and purchasers should in particular and among other things consider the investment considerations set forth in the sections entitled *"Risk Factors"* on page 11 of the Base Prospectus.**

3.1 Risk Factors relating to the Issuers and the Guarantor

The following is a summary of some of the investment considerations relating to the business of Fortis Bank:

(a) As part of the financial services industry, Fortis Bank faces substantial competitive pressures which could adversely affect the results of its operations.

(b) Difficult market and economic conditions including, without limitation, concerns regarding the ability of certain countries in the eurozone to refinance their debt obligations, could in the future have a material adverse effect on the operating environment for financial institutions and hence on Fortis Bank's financial condition, results of operations and cost of risk.

(c) The soundness and conduct of other financial institutions and market participants could adversely affect Fortis Bank.

(d) Fortis Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

(e) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect Fortis Bank's results of operations and financial condition.

(f) Fortis Bank may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

(g) Fortis Bank's hedging strategies may not prevent losses.

(h) Significant interest rate changes could adversely affect Fortis Bank's net banking income or profitability.

(i) Fortis Bank's business is exposed to liquidity risks.

(j) Fortis Bank's risk management methods may leave Fortis Bank exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities.

(k) While each of Fortis Bank's businesses manages its operational risks, these risks remain an inherent part of all of the Fortis Bank's businesses.

(l) Fortis Bank has significant counterparty risk exposure and exposure to systemic risks.

(m) Fortis Bank's competitive position could be harmed if its reputation is damaged.

(n) Catastrophic events, terrorist attacks and other acts of war could have a negative impact on Fortis Bank's business and results.

(o) An interruption in or a breach of Fortis Bank's information systems may result in lost business and other losses.

(p) Fortis Bank's results of operations can be adversely affected by significant adverse regulatory developments.

(q) There can be no assurance that legislative action and other measures taken by governments and regulators in Belgium and Luxembourg or globally will fully and promptly stabilize the financial system, and Fortis Bank may be adversely affected by measures taken in connection with such legislation.

(r) Fortis Bank's business is sensitive to changes in governmental policies and international econimc conditions that could limit its operating flexibility and reduce its profitability.

(s) Litigation or other proceedings or actions may adversely affect Fortis Bank's business, financial condition and results of operations.

(t) Uncertainty linked to fair accounting value and use of estimates by Fortis Bank.

(u) Fortis Bank faces various risks and uncertainties connected to the integration of the operations of Fortis Bank following its acquisition by BNP Paribas.

(v) A deterioration of the credit rating of BNP Paribas of its debt quality could adversely affect Fortis Bank.

The following is a summary of some of the additional investment considerations relating to the business of BP2F:

(a) The primary credit protection for notes issued by BP2F will derive from the guarantees given by Fortis Bank.

(b) BP2F's ability to make payments under the Notes may depend on the operating performance of those companies to which the proceeds of the Notes are lent.

(c) The financial condition of the operating companies to which the proceeds of the Notes are lent may deteriorate and this may affect BP2F's ability to make payments under the Notes which it issues.

(d) During deteriorating or challenging economic conditions BP2F may find it difficult to raise further finance.

(e) Transfer pricing tax rules in Luxembourg generate additional costs, which may vary from time to time.

3.2 Risk Factors relating to Notes issued under the Programme

The following is a summary of some of the investment considerations relating to Notes issued under the Programme:

(a) An investment in Notes linked to an index, exchange rate, reference rates, shares, securities, or any other underlying entails significant risks not associated with a similar investment in fixed or floating rate debt securities. Notes may not be a suitable investment for all investors.

(b) Application has been made for the Notes issued under the Programme to be admitted to listing on the official list and to trading on the Luxembourg Regulated Market. However, Notes may also be issued under the Programme whereby they will be admitted to listing, trading and/or quotation by other stock exchanges, listing authorities and/or quotation systems, or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.

(c) The Notes shall be accepted for clearing through one or more clearing systems as specified in the relevant Final Terms. Global Notes are to be held by or on behalf of the clearing systems and therefore, potential investors will have to rely on the clearing system procedures for transfer, payment and communications with the Issuer.

(d) The Notes may be redeemed prior to maturity at par or at such other Redemption Amount as may be specified in the relevant Final Terms.

(e) There is at the time of issue no active trading market for the Notes unless, in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued and for which there is such a market.

(f) The market value of the Notes may be volatile and may be adversely affected by a number of factors.

(g) Fortis Bank Group and its affiliates are subject to various potential conflicts of interest in respect of the Notes, including in relation to its hedging and market-making activities which could have an adverse effect on the Notes.

(h) The Calculation Agent has substantial discretion to make adjustments to the Notes and may be subject to conflicts of interest in exercising this discretion.

(i) Purchasing the Notes as a hedge may not be effective and holders do not have any ownership interest in the Underlying;

(j) The actual yield received by an investor may be reduced from the stated yield by transaction costs and taxes that may be payable by investors.

(k) The Notes may be terminated prior to their stated maturity date in certain circumstances.

(l) The Notes may be subject to risks associated with Notes held in global form, settlement risk, risks associated with nominee arrangements and with trading in clearing systems.

(m) Credit ratings may not reflect all risks.

Risks related to the structure of a particular issue of Notes:

(n) Structured Notes in general are subject to specific risks more specifically Inversely-Linked Notes, Absolute Performance Notes, Swing Notes, Path Dependent Notes, Range Notes, Trigger Notes, Notes subject to optional redemption by the Issuer and Notes redeemed by physical delivery.

(o) Specific risks may apply to Reverse Convertible Notes, Partly-Paid Notes, Inverse Floating Rate Notes, Variable Rate Notes, Fixed to Floating Rate Notes, Notes issued at a substantial discount or premium, Floating Rate Notes, Zero coupon Notes and Subordinated Notes.

(p) There are additional risks relating to Notes with interest and/or principal linked to one or more types of Underlying such as Index-Linked Notes, Dual Currency Notes, Inflation-Linked Notes, Equity-Linked Notes, Fund-Linked Notes and Credit-Linked Notes.

RISK FACTORS

The Issuers believe that the following factors may affect the value of the Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuers are not in a position to express a view on the likelihood of any such contingency occurring.

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

The Issuers believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the relevant Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuers do not represent that the statements below regarding the risks of holding any Notes are exhaustive. 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.

Before making an investment decision with respect to any Notes issued under the Programme, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this section.

Risk factors relating to the Issuers and the Guarantor

1. Risk factors relating to the business of Fortis Bank NV/SA

(a) As part of the financial services industry, Fortis Bank faces substantial competitive pressure which could adversely affect the results of operations.

There is substantial competition in Belgium, Luxembourg and the other regions in which Fortis Bank carries on business for the types of banking, asset management and insurance, and other products and services Fortis Bank provides.

Such competition is most pronounced in the core Benelux markets of Fortis Bank where Fortis Bank faces competition from companies such as KBC Bank, Dexia and ING Group. As a result, Fortis Bank's strategy is to maintain customer loyalty and retention, which can be influenced by a number of factors, including service levels, the prices and attributes of products and services, financial strength and actions taken by competitors. If Fortis Bank is unable to compete with attractive product and service offerings that are profitable, Fortis Bank may lose market share or incur losses on some or all of Fortis Bank's activities.

Competitive pressures could result in increased pricing pressures on a number of Fortis Bank's products and services, particularly as competitors seek to win market share, and may harm Fortis Bank's ability to maintain or increase profitability.

(b) Difficult market and economic conditions could in the future have a material adverse effect on the operating environment for financial institutions and hence on Fortis Bank's financial condition, results of operations and cost of risk.

As part of a global financial institution, the Fortis Bank's businesses can be highly sensitive to changes in the financial markets and economic conditions generally in Europe (especially in Belgium and Luxembourg). Fortis Bank could be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting capital, credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, inflation or deflation, sovereign debt rating downgrades, restructurings or defaults, or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on Fortis Bank's financial condition, results of operations or cost of risk.

European markets have recently experienced significant disruptions as a result of concerns regarding the ability of certain countries in the eurozone to refinance their debt obligations and of the financial assistance provided to certain European Union

member states. These disruptions have contributed to increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the near-term economic prospects of countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. There has also been an indirect impact on financial markets worldwide. If economic conditions in the relevant European countries or in Europe more generally were to deteriorate or if further disruptions were to impair the capacity of the European or global markets to recover from the recent worldwide financial crisis, then the impact on the Bank could be significantly adverse.

Moreover, the recent financial crisis has resulted, and is likely to continue to result, in more restrictive regulation of the financial services industry, which could have a material adverse effect on Fortis Bank's business, financial condition and results of operations. Indeed, legislators, governments, regulators, advisory groups, trade and professional associations and various committees at the national, European and international level have adopted or proposed an array of measures in response to the recent financial crisis, including the "Basel III" framework proposed by the Basel Committee in December 2009. The analysis and interpretation of these measures, which are drawn from various and sometimes contradictory sources, may increase compliance risk. Implementation of these new measures and compliance with them will increase the Bank's costs and its regulatory capital and liquidity requirements and could limit its ability to conduct certain types of activities. These measures could also substantially affect the Bank's competitiveness, its ability to attract and retain talent and its profitability. Finally, it is difficult to predict what impact these measures would have on financial market conditions and thus indirectly on Fortis Bank and it is uncertain whether they would prevent or limit possible future financial crises.

(c) The soundness and conduct of other financial institutions and market participants could adversely affect Fortis Bank.

Fortis Bank's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to further losses or defaults. Fortis Bank has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients, with which it regularly executes transactions. Many of these transactions expose Fortis Bank to credit risk in the event of default of a group of Fortis Bank's counterparties or clients. In addition, Fortis Bank's credit risk may be exacerbated when the collateral held by it cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to Fortis Bank.

In addition, misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. There can be no assurance that any losses resulting from the risks summarized above will not materially and adversely affect Fortis Bank's results of operations.

(d) Fortis Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

Fortis Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in private equity, property and other assets. These positions could be adversely affected by volatility in financial and other markets, i.e. the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. The capital and credit markets have been experiencing unprecedented volatility and disruption since mid-2007 and particularly since the bankruptcy filing of Lehman Brothers in mid-September 2008. As a result Fortis Bank incurred significant losses on its trading and investment activities. There can be no assurance that this extreme volatility and market disruption will not re-occur in the near future but Fortis Bank has taken action, where possible, to decrease the trading exposure and to decrease the size of the potential losses on its trading activities as a result. Volatility trends (or other trends in parameters that are sensitive to market fluctuations such as correlations) that prove substantially different from Fortis Bank's expectations may lead to losses relating to a broad range of other trading and hedging products Fortis Bank uses, including swaps, forwards and futures, options and structured products.

To the extent that Fortis Bank owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that Fortis Bank has sold assets that it does not own, or has net short positions, in any of those markets, a market upturn could expose it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. Fortis Bank may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn net revenues based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that Fortis Bank did not anticipate or against which it is not hedged, Fortis Bank might realize a loss on those paired positions. Such losses, if significant, could adversely affect Fortis Bank's results of operations and financial condition.

(e) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect Fortis Bank's results of operations and financial condition.

In connection with its lending activities, Fortis Bank regularly establishes provisions for loan losses. Fortis Bank's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although Fortis Bank uses its best efforts to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of increases in non-performing assets or for other reasons, as was the case in the second half of 2008 and throughout 2009. Any significant increase in provisions for loan losses or a significant change in Fortis Bank's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on Fortis Bank's results of operations and financial condition.

(f) Fortis Bank may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

Market downturn can lead to a decline in the volume of transactions that Fortis Bank executes for its clients and, therefore, to a decline in its net banking income from this activity. In addition, because the fees that Fortis Bank charges for managing its clients' portfolios are in many cases based on the value or on the performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues Fortis Bank receives from its asset management, equity derivatives and private banking businesses. Even in the absence of a market downturn, below-market performance by Fortis Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues Fortis Bank receives from its asset management business.

(g) Fortis Bank's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that Fortis Bank uses to hedge its exposure to various types of risk in its businesses is not effective, Fortis Bank may incur losses. Many of its strategies are based on historical trading patterns and correlations. However, the hedging strategies may not protect against all future risks or may not be fully effective in mitigating Fortis Bank's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of Fortis Bank's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in Fortis Bank's reported earnings.

(h) Significant interest rate changes could adversely affect Fortis Bank's net banking income or profitability.

The amount of net interest income earned by Fortis Bank during any given period significantly affects its overall net banking income and profitability for that period. Interest rates are sensitive to many factors beyond Fortis Bank's control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in Fortis Bank's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to Fortis Bank's short-term financing may adversely affect Fortis Bank's profitability.

(i) Fortis Bank's business is exposed to liquidity risks.

Liquidity risk is inherent in much of Fortis Bank's business. Each asset purchased and liability sold has liquidity characteristics that are unique. Some liabilities are surrenderable while some assets, such as privately placed loans, mortgage loans, real estate and limited partnership interests, have low liquidity. Additionally, protracted market declines can reduce the liquidity of markets that are typically liquid. If, in the course of Fortis Bank's banking, insurance or other activities, Fortis Bank requires significant amounts of cash on short notice in excess of anticipated cash requirements, Fortis Bank may have difficulty selling these investments at attractive prices, in a timely manner, or both.

Any downgrade in Fortis Bank's ratings may increase Fortis Bank's borrowing costs, limit Fortis Bank's access to capital markets and adversely affect Fortis Bank's ability to sell or market Fortis Bank's products, engage in business transactions — particularly longer term and derivatives transactions — and retain Fortis Bank's current customers. This, in turn, could reduce Fortis Bank's liquidity and have an adverse effect on Fortis Bank's operating results and financial condition.

(j) Fortis Bank's risk management methods may leave Fortis Bank exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities.

Fortis Bank devotes significant resources to developing risk management policies, procedures and assessment methods for Fortis Bank's businesses. Fortis Bank uses a sophisticated value-at-risk (VaR) model, duration analysis and sensitivity analysis as well as other risk assessment methods. Nonetheless, Fortis Bank's risk management techniques and strategies may not be fully effective in mitigating Fortis Bank's risk exposure in all economic market environments or against all types of risk, including risks that Fortis Bank fails to identify or anticipate. Some of Fortis Bank's qualitative tools and metrics for managing risk are based upon use of observed historical market behaviour. Fortis Bank applies statistical and other tools to these observations to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures. Fortis Bank losses thus could be significantly greater than Fortis Bank's measures would indicate. In addition, Fortis Bank's quantified modelling does not take all risks into account. Fortis Bank more qualitative approach to managing risks takes into account a broader set of risks, but is less precise than quantified modelling and could prove insufficient. Unanticipated or incorrectly quantified risk exposures could result in material losses in Fortis Bank's banking, asset management and insurance businesses.

(k) While each of Fortis Bank's businesses manages its operational risks, these risks remain an inherent part of all of Fortis Bank's businesses.

Fortis Bank is subject to operational risk because of the uncertainty inherent in all business undertakings and decisions. This risk can be broken down into business risk and event risk.

Business risk is the risk of 'being in business', which affects any enterprise, financial or non-financial. It is the risk of loss due to changes in the competitive environment that damage the business's franchise or operating economics. Typically, the fluctuation originates with variations in volume, pricing or margins against a fixed cost base. Business risk is thus mostly externally driven (by regulatory, fiscal, market and or competition changes, as well as strategic, reputation risks and other related risks).

Event risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal and compliance risk. Event risk is often internally driven (internal and external fraud involving employees, clients, products and business practices, as well as technological and infrastructure failures and other related malfunctions) and can be limited through management processes and controls.

Fortis Bank attempts to keep these risks at appropriate levels by maintaining a sound and well controlled environment in light of the characteristics its business, the markets and the regulatory environments in which Fortis Bank operates. While these control measures mitigate operational risks they do not eliminate them.

(l) Fortis Bank has significant counterparty risk exposure and exposure to systemic risks.

Fortis Bank's business is subject to general credit risks, including credit risks of borrowers and other counterparties. Third parties that owe Fortis Bank money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans made, the issuers whose securities Fortis Bank holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to Fortis Bank due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

In addition, in the past, the general credit environment has been adversely affected by significant instances of fraud. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom Fortis Bank interacts on a daily basis, and could have an adverse effect on Fortis Bank's business.

(m) Fortis Bank's competitive position could be harmed if its reputation is damaged.

In the highly competitive environment arising from globalization and convergence in the financial services industry, a reputation for financial strength and integrity is critical to Fortis Bank's ability to attract and retain customers. Fortis Bank's

reputation could be harmed if it fails to adequately promote and market its products and services. Fortis Bank's reputation could also be damaged if, as it increases its client base and the scale of its businesses, Fortis Bank's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, Fortis Bank's reputation could be damaged also by other compliance risks, including but not limited to, employee misconduct, misconduct by market participants or funds to which Fortis Bank is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. The loss of business that could result from damage to Fortis Bank's reputation could have an adverse effect on its results of operations and financial position.

(n) Catastrophic events, terrorist attacks and other acts of war could have a negative impact on Fortis Bank's business and results.

Catastrophic events, terrorist attacks, other acts of war or hostility, and responses to those acts may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which Fortis Bank operates and, more specifically, on Fortis Bank's business and results in ways that cannot be predicted.

(o) An interruption in or a breach of Fortis Bank's information systems may result in lost business and other losses.

As with most other banks, Fortis Bank relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in Fortis Bank's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. Fortis Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have an adverse effect on Fortis Bank's financial condition and results of operations.

(p) Fortis Bank results of operations can be adversely affected by significant adverse regulatory developments.

The Issuers conducts its businesses subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations in the European Union and the other regions in which Fortis Bank does business. The timing and form of future changes in regulation are unpredictable and beyond Fortis Bank's control, and changes made could materially adversely affect Fortis Bank's business, the products and services Fortis Bank offers or the value of its assets or extent of its liabilities.

(q) There can be no assurance that legislative action and other measures taken by governments and regulators in Belgium or Luxembourg or globally will fully and promptly stabilize the financial system, and Fortis Bank may be adversely affected by measures taken in connection with such legislation.

In response to the financial crisis, governments and regulators have enacted legislation and taken measures to help stabilize the financial system and increase the flow of credit to the economy. These measures have included the purchase or guarantee of distressed or illiquid assets; recapitalization through the purchase of securities issued by financial institutions (including ordinary shares, preferred shares, or hybrid or quasi-equity instruments); government guarantees of debt issued by financial institutions; and government-sponsored mergers and acquisitions of and divestments by financial institutions. In Belgium, the government has given its guarantee or has granted a liquidity facility to financial institutions. There can be no assurance as to the actual impact that these measures and related actions will have on the financial markets generally and on Fortis Bank specifically.

In addition to the measures described above, which were taken or proposed specifically in response to the financial crisis, Fortis Bank is exposed to the risk of legislative or regulatory changes in all of the countries in which it operates, including, but not limited to, the following:

- monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investors' decisions, particularly in the markets in which Fortis Bank operates;
- general changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable capital adequacy and liquidity frameworks;

- changes in tax legislation or the application thereof;
- changes in the competitive environment and prices;
- changes in accounting norms;
- changes in financial reporting requirements; and
- expropriation, nationalization, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect Fortis Bank, and have an adverse effect on its business, financial condition and results of operations.

(r) Fortis Bank's business is sensitive to changes in governmental policies and international economic conditions that could limit its operating flexibility and reduce its profitability.

Fortis Bank's business and results of operations may be materially affected by market fluctuations and by economic factors, including governmental, political and economic developments relating to inflation, interest rates, taxation, currency fluctuations, trade regulations, social or political instability, diplomatic relations, international conflicts and other factors that could limit its operating flexibility and reduce Fortis Bank's profitability. In addition, results of operations in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: political, economic and market conditions; the availability and cost of capital; the level and volatility of equity prices, commodity prices and interest rates; currency values and other market indices; technological changes and events; the availability and cost of credit; inflation; and investor sentiment and confidence in the financial markets. In addition, there has been a heightened level of legislative, legal and regulatory developments related to the financial services industry in the European Union and elsewhere that potentially could increase costs, thereby affecting Fortis Bank's future results of operations. Such factors may also have an impact on Fortis Bank's ability to achieve its strategic objectives.

In addition, there is continuing political and regulatory scrutiny of the operation of the retail banking and consumer credit industries in Belgium and elsewhere. The nature and impact of future changes in policies and regulatory action are not predictable and are beyond Fortis Bank's control but could have an adverse impact on Fortis Bank's businesses and earnings.

In the European Union, these regulatory actions included an inquiry into retail banking in all of the Member States by the European Commission's Directorate General for Competition. The inquiry examined retail banking in Europe generally. On 31 January 2007, the European Commission announced that barriers to competition in certain areas of retail banking, payment cards and payment systems in the European Union had been identified. The European Commission indicated that it will use its powers to address these barriers and will encourage national competition authorities to enforce European and national competition laws where appropriate. Any action taken by the European Commission and national competition authorities could have an adverse impact on Fortis Bank's payment cards and payment systems businesses and on its retail banking activities in the European Union countries in which it operates.

(s) Litigation or other proceedings or actions may adversely affect Fortis Bank's business, financial condition and results of operations.

The Issuers' business is subject to the risk of litigation by customers, employees, shareholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation or similar proceedings or actions is difficult to assess or quantify. Plaintiffs in these types of actions may seek recovery of large or indeterminate amounts or other remedies that may affect Fortis Bank's ability to conduct business, and the magnitude of the potential loss relating to such actions may remain unknown for substantial periods of time. The cost to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of Fortis Bank's services, regardless of whether the allegations are valid or whether Fortis Bank is ultimately found liable. As a result, the possibility can not be ruled out that the outcome of such litigations or investigations may adversely affect Fortis Bank's business, financial condition and results of operations.

In particular, several shareholders and groups representing shareholders of Ageas SA/NV and Ageas N.V. (previously respectively Fortis SA/NV and Fortis N.V.) have initiated proceedings in Belgium and in The Netherlands against, amongst others,

Fortis Bank SA/NV in connection with the restructuring of Fortis Bank at the end of September and beginning of October 2008. Moreover, other litigations or investigations are pending to which Fortis Banks is not a party at this moment.

(t) Fair value accounting and use of estimates

According to Fortis Bank's valuation rules financial assets can be carried at fair value through profit or loss. Concerned assets include financial assets held for trading, including non-cash flow hedging derivatives, and financial assets that Fortis Bank has irrevocably designated to be held at fair value through profit or loss ('fair value option'). The fair value of a financial instrument is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows, and take into consideration, where applicable, model risks. Such techniques include market prices of comparable investments, discounted cash flows, option pricing models and market multiples valuation methods. In the rare case where it is not possible to determine the fair value of a financial instrument, it is accounted for at cost. The effect of changing the assumptions for those financial instruments for which the fair values are measured using valuation techniques that are determined in full or in part on assumptions that are not supported by observable inputs may have a material adverse effect on Fortis Bank's earnings.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying these accounting policies. Actual results may differ from those estimates and judgmental decisions.

Financial institutions may use different accounting categorizations for the same or similar financial assets due to their different intentions regarding those assets. In determining fair value of financial instruments, different financial institutions may use different valuation techniques, assumptions, judgments and estimates which may result in lower or higher fair values for such financial instruments.

(u) Risks and uncertainties connected to the integration of the operations of Fortis Bank following its acquisition by BNP Paribas

The integration of the operations of Fortis Bank following its acquisition by BNP Paribas is ongoing. It is a process that is complex, expensive and that presents a number of challenges for the management of Fortis Bank and BNP Paribas, its staff and potentially its customers. Although the integration is currently achieving all the foreseen objectives, the integration may not be able to achieve the anticipated synergies or other expected benefits of the acquisition. The expected business growth opportunities, revenue benefits, cost synergies and other operational efficiencies and other benefits expected from the integration may not develop or may be delayed. To the extent that higher integration costs are incurred or lower revenue benefits or fewer cost savings are achieved than was expected, BNP Paribas' and Fortis Bank's operating results, financial conditions and prospects and share price may suffer.

While the legal acquisition has already occurred, the technical integration of Fortis Bank and BNP Paribas, including the integration of the banks' IT systems and other processes is ongoing and is expected to take some time to be fully completed. The potential for future growth of the integrated entity will depend on a number of factors, including the ability of Fortis Bank and BNP Paribas to integrate the operating systems, achieve synergies in a timely manner and control costs.

Challenges may also be faced with respect to obtaining required approvals of various regulatory agencies, retaining key employees, redeploying resources in different areas of operations to improve efficiency, unifying financial reporting and internal control procedures, minimising diversion of management attention from ongoing business concerns, addressing differences between Fortis Bank's and BNP Paribas' business culture, processes, controls, procedures, systems, accounting practices and implementation of accounting standards.

(v) A deterioration of the credit rating of BNP Paribas of its debt quality could adversely affect Fortis Bank

As part of the BNP Paribas Group, Fortis Bank can be highly sensitive to a downgrade by rating agencies of the rating of the parent company of the BNP Paribas Group or a deterioration of its debt quality. BNP Paribas took control of Fortis Bank on 12 May 2009 and subsequently increased its stake in Fortis Bank to 74.93 per cent. BNP Paribas is now the major shareholder of Fortis Bank.

2. Additional investment considerations relating to the business of BP2F

All of the risks listed and described above under the section "Risk Factors relating to the business of Fortis Bank" above are applicable to BP2F but must be considered in the light of the specific activities, businesses, location, jurisdiction, applicable laws, composition of assets and liabilities, finances, and other relevant features of BP2F.

The risk factors relating specifically to BP2F must then be read and construed accordingly.

The primary credit protection for Notes issued by BP2F will derive from the guarantees given by Fortis Bank. The principal activity of BP2F is to act as a financing vehicle for Fortis Bank and its affiliates by issuing bonds (including Notes under the programme) or similar securities, raising loans with or without a guarantee and in general having recourse to any sources of finance. The Notes issued by BP2F have the benefit of guarantees issued by Fortis Bank so the primary credit protection for investors will derive from these guarantees.

When BP2F issues structured notes, it hedges the structured components with Fortis Bank and BNP Paribas (London or/and Paris). BP2F's ability to make payments of the structured coupon may depend on the ability of these hedging counterparties to meet their obligations under the hedge.

BP2F's ability to make payments under the Notes may depend on the operating performance of those companies to which the proceeds of the Notes are lent BP2F will lend the proceeds from the Notes to certain of Fortis Bank group's operating companies. Investors are, therefore, also exposed to the operating performance of the operating companies to which BP2F may lend proceeds, whose performance could change over time.

The financial condition of the operating companies to which the proceeds of the Notes are lent may deteriorate and this may affect BP2F's ability to make payments under the Notes as BP2F's ability to meet its obligations will be reliant on the financial condition of the operating companies, if such operating companies' financial condition were to deteriorate and to the extent that funds are not available under the guarantees, BP2F and holders of notes could suffer direct and materially adverse consequences, including insufficient coupon payments on the Notes and, if a liquidation or bankruptcy of BP2F were to occur, loss by holders of all or part of their investment.

BP2F is not an operating company so has limited capital resources. Its financial condition therefore depends on its ability to issue securities and otherwise raise finance. A deteriorating or challenging economic situation can make it more difficult for BP2F to raise finance, or may make the terms on which it is able to do so more onerous, which could have a negative effect on BP2F's financial condition.

Transfer pricing tax rules in Luxembourg generate additional costs, which may vary from time to time

On 8 April 2011 the Luxembourg direct tax authorities issued Circular L.I.R. 164/2 bis (Circular Bis), which clarifies the conditions for application of their previous circular dated 28 January 2011 relating to the tax treatment of intra-group financing transactions (Advance Pricing Arrangements (APA)).

According to Luxembourg and OECD principles, any related party transaction should be performed at arm's length. In other words, remuneration should be in line with what independent third parties would have charged in a similar transaction. These transfer pricing principles apply to intra-group financings (being defined as any financing granted between companies that participate directly or indirectly in the management, control or capital of each other or have a common person doing so).
Furthermore, it states that from 1 January 2012, the tax authorities will no longer be bound by APAs obtained before 28 January 2011 in relation to intra-group financing transactions which would otherwise fall within the scope of the Initial Circular.
In order to file an APA with the Luxembourg tax authorities, any Luxembourg tax resident company should meet the following conditions:

1. *Substance requirement*

- majority of its directors should be Luxembourg resident or having more than 50% of their professional income taxable in Luxembourg (taxable in Luxembourg according to article 10-1 to 4 of the Luxembourg Income Tax Law);
- local directors should have the appropriate expertise and the capacity to bind the company by their decisions;
- its key management decisions should be taken in Luxembourg;

- appropriate staff should reflect the nature and volume of activity performed in Luxembourg; and
- a bank account should be opened with a Luxembourg resident bank or a Luxembourg branch of a resident bank.

2. *Minimum capital requirement*

The financing activity will have to be adequately equity financed. According to the circular, equity financing is deemed sufficient if it is at least equal to 1% of the financing or EUR 2 million.

3. *Transfer pricing analysis*

Normally a transfer pricing analysis has to cover all the investment and take into account the particular risks linked to each of them.

The filing of the APA will thus generate additional costs, which may vary from time to time.

Investors are cautioned that all such risks should be borne in mind and analysed when investing in the securities of BP2F.

Risk factors that may affect the Notes generally

The Notes may not be a suitable investment for all investors

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:

(i) 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, the Final Terms relating to the Notes or any applicable supplement;

(ii) 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;

(iii) 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;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange, financial markets and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are sophisticated financial instruments. A potential investor should not invest in Notes which are sophisticated 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.

None of the Issuers, the Guarantor, the Dealer or any of their respective affiliates is responsible for the lawfulness or suitability of the acquisition of any Notes by a prospective investor or purchaser of Notes or for compliance by a prospective investor or purchaser of Notes (whether it is acquiring the Notes in a principal or in a fiduciary capacity) with any law, regulation, directive or policy applicable to it or, if it is acquiring the Notes in a fiduciary capacity, any law, regulation, directive or policy applicable to the beneficiary. A prospective investor or purchaser of Notes may not rely on the Issuers, the Guarantor, the Dealer or any of their respective affiliates when making determinations in relation to any of these matters.

Currency Risks

Notes are issued in the currency specified in the Final Terms applicable thereto (the "note currency") and as such income and principal arising from such Notes are subject to exchange rate risk for an investor who has to convert another currency (the "investor currency") into such note currency to purchase the Notes. Investors should be aware that as a result of such risk they may receive at maturity an amount in the note currency that, if converted back into the investor currency by the investor, may be less than the initially converted amount. The same cross-currency exposure risk applies to the interest payments made in the note currency that are intended to be converted at a spot rate into an investor currency by the Noteholder.

The Notes entail particular risks

The Notes to be issued under the Programme will entail particular risks. The Notes are investment instruments which may or may not bear interest and which at maturity or earlier in case of early termination pay the final redemption amount or the early redemption amount (except in the case of physically settled notes) which may or may not be equal to the nominal amount of the relevant Note.

In the case of physically settled Notes, the relevant Issuer or the Noteholder may have the option at maturity or at an earlier date to exchange the Notes for the Share Amount, depending upon the terms of such physically settled Notes.

Notes which are not principal protected may result in the holder thereof losing some or, in certain limited cases, all of such holder's initial investment. In addition, all Notes, including Notes which are expressed to be fully or partially principal protected, will give an investor exposure to the credit and default risk of the Issuer and Guarantor.

Notes issued under the Programme may be structured such that principal, interest and/or premium, if any, payable on such Notes are determined by reference to the value or level of various underlying factors or a combination thereof, including, but not limited to, a single share, a basket of shares, an index, a basket of indices, one or more currencies (including exchange rates or swap indices between currencies or composite currencies), commodities, interest rates, the value of the credit of underlying reference entity, reference entities, reference obligation(s), underlying obligation(s), units, shares or interests in a single fund or basket of funds, formulae or other variables (the **"Underlying"**). Notes where the principal amount, interest amount and/or premium payable (if any) is dependent upon the performance of the Underlying may result in the Holder receiving no, or only a limited return on his investment.

The price at which a holder of Notes will be able to sell Notes prior to their redemption may be at a substantial discount to the market value of the Notes at the issue date depending upon the performance of the Underlying at the time of sale.

The value of the Notes may fluctuate

The value of the Notes may move up and down between their date of purchase and their maturity date. Holders of the Notes may sustain a total loss of their investment depending on the factors stated below (subject to any principal protection provided for under the terms of the relevant Notes, if applicable). Prospective purchasers should therefore ensure that they understand fully the nature of the Notes before they invest in the Notes.

Several factors, many of which are beyond the relevant Issuers' and Guarantors' control, will influence the value of the Notes at any time, including (but not limited to) the following:

(a) **General economic conditions.** The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other countries and areas. There can be no assurance that events occurring elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect. In particular, in 2008 the global economy entered the most severe downturn for 80 years. Economic conditions remain fragile, and there is a risk that major economies may suffer a "double dip" recession where the improvements in a number of markets reverse. Such a deterioration in market conditions could adversely affect the price of the Notes or have another adverse effect.

(b) **Valuation of the Underlying.** Where the Notes are linked to the performance of an Underlying, the market value of the Notes at any time is expected to be affected primarily by changes in the price, value level or rate (as the case may be) of the Underlying to which such Notes are linked. It is impossible to predict how the price, value, level or rate (as the case may be) of the relevant Underlying will vary over time. Factors that may have an effect on the price, value, level or rate (as the case may be) of the Underlying include, in the case of a share or share index, the rate of return of the Underlying and the financial position and prospects of the relevant issuer of the Underlying or any component thereof. In addition, the

price, value, level or rate (as the case may be) of the Underlying may depend on a number of interrelated factors, including economic, financial and political events and, in the case of a share or share index, their effect on the capital markets generally and on the relevant stock exchanges in particular. Potential investors should also note that whilst the market value of the Notes is linked to the changes in the price, value, level or rate (as the case may be) of the relevant Underlying and will be influenced (positively or negatively) by such changes, any change may not be comparable and may be disproportionate. It is possible that while the price, value, level or rate (as the case may be) of the Underlying is increasing, the value of the Notes may fall.

(c) **Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and/or (in the case of Notes issued by BP2F) the Guarantor.** Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or, the NBB in the case of Notes issued by Fortis Bank where the relevant Global Note is deposited with the NBB as operator of the X/N System. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg, or the NBB, as the case may be, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg or the NBB, as the case may be.

While the Notes are represented by one or more Global Notes the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor will discharge their payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or the NBB, as the case may be for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg, or the X/N System, as the case may be, to receive payments under the relevant Notes. The Issuers and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

(d) **Interest Rates.** Investors in Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes. Investments in the Notes may involve interest rate risk with respect to the currency of denomination of the Underlying and/or the Notes. A variety of factors influence interest rates such as macro economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Notes at any time prior to valuation of the Underlying relating to the Notes.

(e) **Volatility of the Underlying.** The term "volatility" of an Underlying refers to the actual and anticipated frequency and magnitude of changes of the price, value, level or rate (as the case may be) of an Underlying. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of an Underlying will move up and down over time (sometimes more sharply than others) and different Underlyings will most likely have separate volatilities at any particular time. Where Notes are linked to an Underlying, the volatility of the Underlying(s) may have an effect on the volatility of the Notes.

(f) **Exchange Rates.** Even where payments in respect of the Notes are not expressly linked to a rate or rates of exchange between currencies, the value of the Notes could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Notes is to be made and any currency in which the Underlying is traded, appreciation or depreciation of any such currencies and any existing or future governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of any Notes will be representative of the relevant rates of exchange used in computing the value of the relevant Notes at any time thereafter.

(g) **Disruption.** If so provided in the applicable terms, the Calculation Agent may determine that a Market Disruption Event has occurred or exists at a relevant time. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes. In addition, if so provided in the applicable terms, the relevant Calculation Agent may determine that a Settlement Disruption Event has occurred or exists at any relevant time in relation to a physically settled Note. Any such determination may cause a delay in delivery of the Underlying and, in the event that a Disruption Cash Settlement Price is paid in lieu of delivery of the Underlying, the cash price paid may be adversely affected. Prospective purchasers should review the applicable terms (including the Final Terms) to ascertain whether and how such provisions apply to the Notes.

There may not be a secondary market in the Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may be not very liquid or not liquid at all. 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.

Potential investors should consequently be willing to hold the Notes through their life. The nature and extent of any secondary market in the Notes cannot be predicted. As a consequence any person intending to hold the Notes should consider liquidity in the Notes as a risk. If the Notes are listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if equivalent Notes were not so listed or quoted. However, if Notes are not listed or quoted there may be a lack of transparency with regard to pricing information. Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The relevant Issuer may affect the liquidity of the Notes by purchasing and holding the Notes for its own account during trading in the secondary market. Any such Notes may be resold at any time into the market.

Purchasing the Notes as a hedge may not be effective

Any person intending to use the Notes as a hedge instrument should recognise the correlation risk. The Notes may not be a perfect hedge to an Underlying or portfolio of which the Underlying forms a part. In addition, it may not be possible to liquidate the Notes at a level which directly reflects the price of the Underlying or portfolio of which the Underlying forms a part.

Potential Conflicts of Interest

Potential conflicts of interest may exist between the relevant Issuer, the Guarantor, the Dealer, the Delivery Agent, the Calculation Agent and the Noteholders, including (but not limited to) with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence any interest amount due on, and for the amount receivable upon redemption of, the Notes.

The Issuers and their affiliates (including, if applicable, any Dealer) may engage in trading activities (including hedging activities) related to any Notes, any Underlying and any other instruments or derivative products for their proprietary accounts or for other accounts under their management. The Issuers and their affiliates (including, if applicable, any Dealer) may also issue other derivative instruments in respect of or related to any Notes or any Underlying. The Issuers and their affiliates (including, if applicable, any Dealer) may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Notes or may act as financial adviser to certain companies or companies whose shares are included in the Underlying or in a commercial banking capacity for such companies. The Issuers and their affiliates (including, if applicable, any Dealer) may carry out activities that minimise its and/or their risks related to the Notes, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Underlying whether for risk reduction purposes or otherwise. In connection with such hedging or marketmaking activities or with respect to proprietary or other trading activities by the Issuers and their affiliates, the Issuers and their affiliates may enter into transactions in the Underlying which may affect the market price, liquidity or value of the Underlying and/or the Notes and which could be deemed to be adverse to the interests of the holders of the Notes. The Issuers and their affiliates are likely to modify their hedging positions throughout the life of the Notes whether by effecting transactions in the Underlying or in derivatives linked to the Underlying. Further, it is possible that the advisory services that the Issuers and their affiliates provide in the ordinary course of their business could have an adverse effect on the value of the Underlying. Such activities could present certain conflicts of interest, could influence the prices of the Underlying or other securities and could adversely affect the value of the Notes.

Actions taken by the Calculation Agent may affect the Notes

The Calculation Agent is the agent of the relevant Issuer and not the agent of the Noteholders. The relevant Issuer may itself act as the Calculation Agent. The Calculation Agent will have discretion to make such adjustments to the Notes as it considers appropriate in certain circumstances (as set out in the Conditions of the Notes or the applicable Final Terms) including, but not limited to, certain corporate actions in respect of Shares where the Underlying comprises Shares. In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every corporate action or other event or circumstance entitling it to make an adjustment.

Holders have no ownership interest in the Underlying

The Notes convey no interest in the Underlying. The relevant Issuer may choose not to hold the Underlying or any derivatives contracts or other instruments linked to the Underlying. Under the Conditions of the Notes, there is no restriction on the ability of the relevant Issuer and/or its affiliates to sell, pledge or otherwise convey all right, title and interest in any Underlying or any derivative contracts or other instruments linked to the Underlying.

The Notes do not represent a claim against any Underlying (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference) and Noteholders will not have any right of recourse under the Notes to any such Underlying (or any issuer, sponsor, manager or other connected person in respect of an Underlying). The Notes are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an Underlying and such entities have no obligation to take into account the consequences of their actions on any Noteholders.

Risk of Leveraged Exposure

Leverage involves the use of a number of financial techniques to increase the exposure to an Underlying, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Underlying moves in the anticipated direction, it will conversely magnify losses when the Underlying moves against expectations. If the relevant Notes include leverage, potential holders of such Notes should note that these Notes will involve a higher level of risk, and that whenever there are losses such losses will be higher (other things being equal) than those of a similar Note which is not leveraged. Investors should therefore only invest in leveraged Notes if they fully understand the effect of leverage.

Taxes may be payable by investors

Potential purchasers and sellers of the Notes should be aware that they may be required to pay stamp duties, taxes or other documentary charges in accordance with the laws and practices of the country where the Notes are transferred. In addition, if so indicated in the relevant Final Terms, payments in respect of the Notes may be made subject to deduction for or on account of withholding taxes imposed within Luxembourg or the jurisdiction in which the Specified Branch (if any) is located, as provided in Condition 8 and without the relevant Issuer being obliged to make additional payments in respect of such deduction or withholding. Consequently, the payment of principal, interest and/or premium, if any, in respect of the Notes may be less than expected. The Final Terms will specify in each case whether the Issuer will pay additional amounts as specified in the Conditions. Potential purchasers should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment that will apply at any given time.

The Notes may be redeemed prior to their stated maturity date

The relevant Issuer may at its discretion and without obligation redeem the Notes early for tax reasons, following an event of default, because the relevant Issuer determines that the performance of its obligations under the Notes has become illegal or impractical in whole or in part for any reason or, in the case of Index-Linked Notes, Equity-Linked Notes or Fund-Linked Notes because the Calculation Agent determines that a Hedging Disruption Event has occurred, which includes where it is no longer legal or practical to maintain any hedging arrangement with respect to the Notes. If the relevant Issuer redeems the Notes early, the relevant Issuer will, if so provided in the applicable terms and if and to the extent permitted by applicable law, pay the holder of each such Note the Redemption Amount as defined in the Conditions. In addition, the applicable terms may provide for redemption at the option of the Issuer on the Optional Redemption Dates at the Optional Redemption Amount(s) (as defined in the applicable terms). In the event of any early redemption, a Noteholder may not be able to reinvest the Redemption Amount in a comparable security. The relevant Issuer is not liable for any disadvantage a holder of Notes incurs in respect of the new investment or non-investment of its capital.

Risks associated with Notes held in global form

Bearer Notes and Registered Notes will initially be held by or on behalf of one or more clearing systems specified in the applicable Final Terms (each a **"Relevant Clearing System"**), either in the form of a Global Note or Global Certificate which will be exchangeable for definitive Notes or Individual Certificates only in limited circumstances described in the Global Notes or Global Certificates. For so long as any Notes are held by or on behalf of a Relevant Clearing System, payments of principal, interest and any other amounts will be made through the Relevant Clearing System, where required, against presentation or surrender (as the case may be) of the relevant Global Note or Global Certificate and, in the case of a temporary Global Note,

certification as to non-U.S. beneficial ownership. The risk is that the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate, typically a depositary for the Relevant Clearing System, and not the holders of only a beneficial interest in the Global Note or Global Certificate shall be treated by the relevant Issuer and any Paying Agent as the sole holder of the relevant Notes with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes or any securities deliverable in respect of the Notes. Notes which are held by or on behalf of a Relevant Clearing System will be transferable only in accordance with the rules and procedures for the time being of the Relevant Clearing System.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the Relevant Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the Global Notes or Global Certificates to take enforcement action against the relevant Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Settlement Risk

Settlement of the Notes is subject to all applicable laws, regulations and practices in force at the relevant time and neither the relevant Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the relevant Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any clearing system in relation to the performance of its duties in relation to the Notes.

Risk associated with nominee arrangements

Where a nominee service provider is used by an investor to hold Notes or such investor holds interests in any Note through accounts with a Relevant Clearing System, such investor will receive payments in respect of principal, interest, or any other amounts due, or securities deliverable, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or Relevant Clearing System, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or Relevant Clearing System to distribute all payments or securities attributable to the relevant Notes which are received from the relevant Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or Relevant Clearing System, as well as the relevant Issuer.

In addition, such a Holder will only be able to sell any Notes held by it prior to their stated maturity date with the assistance of the relevant nominee service provider. None of the Issuers or any Paying Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Relevant Clearing System nor makes any representation or warranty, express or implied, as to the service provided by any relevant nominee service provider or Relevant Clearing System.

Modification, waivers and substitution

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.

Trading in the clearing systems

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

The return on an investment in Notes will be affected by charges incurred by investors

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or Relevant Clearing System used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts or delivery of securities. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

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.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuers or 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 the rating agency at any time. A rating agency may fail to withdraw its rating in a timely manner.

A credit rating reduction may result in a reduction in the trading value of the Notes

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuers and, if applicable, the Guarantor. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuers by standard statistical rating services, such as Moody's Investors Service Limited ("Moody's"), Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") and Fitch Ratings Ltd. ("Fitch"). A reduction in the rating, if any, accorded to outstanding debt securities of the Issuers by one of these or other rating agencies could result in a reduction in the trading value of the Notes.

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.

Change of law

The Terms and Conditions of the Notes are predominantly based on English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

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, in addition to the risks described above, have features which contain particular risks for potential investors.

Prospective investors should consult their own financial, tax and legal advisors 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 its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to make. The Issuers believe that such Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional 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.

Set out below is a description of some of the most common of such features.

Structured Notes in general

An investment in Notes, the payment of principal, interest and/or premium of which is determined by reference to one or more Underlyings (either directly or indirectly) and has certain structural features or combination of structural features (**"Structured Notes"**), may entail significant risks not associated with similar investments in a conventional debt security or a direct investment in the Underlying, including the risks that the resulting rate of return will be less than that on a conventional debt security or the Underlying and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant Underlying should be taken as an indication of future performance of (i) such Underlying or (ii) the trading or market value of a Note, during the term of any Note.

An issue of Structured Notes does not give a holder the right to reimbursement of the nominal value of such Note. Accordingly, investment in Structured Notes is reserved for investors who are prepared to accept the risk that all or part of their capital may be lost.

The Underlying(s) and/or the composition thereof, method of calculation (if applicable) or other factors of the Underlying(s) may change in the future. There is no assurance that issuers, sponsors, licensors of the Underlying(s) or any other third party (as the case may be) who have an influence on the Underlying(s) will not change the composition thereof, method of calculation or other factors of the Underlying(s). Any such change to the Underlying(s) may be beyond the control of the relevant Issuer and may adversely affect the value of the Notes.

If the formula used to determine the amount of principal, interest and/or premium, if any, and/or securities deliverable (if applicable) with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the Underlying(s) will be magnified. In recent years, values of certain Underlying(s) have been highly volatile; such volatility in the past is not necessarily indicative, however, of fluctuations that may occur in the future.

An investment in Structured Notes linked to an Underlying 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 may be subject to significant changes, whether due to the composition of any such Underlying itself, or because of fluctuations in value of the Underlying;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the relevant Issuer at the same time;
- the holder of an Structured Note linked to an Underlying 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 may cease to be payable on such Note;
- any Note that is linked to more than one type of Underlying, or on formulae that encompass the risks associated with more than one type of Underlying, may carry levels of risk that are greater than Notes that are indexed to one type of Underlying only;
- it may not be possible for investors to hedge their exposure to these various risks relating to Structured Notes linked to an Underlying;
- a significant market disruption could mean that any Underlying ceases to exist; and
- as a result of one or more of the above factors the trading or market value of the Structured Notes may be volatile or non-correlated with the Underlying.

(i) Inversely Linked Notes

Where the principal, interest and/or premium payable on the Notes is inversely linked to one or more Underlyings (**"Inversely Linked Notes"**), investors should note that any increase in the price, value, level or rate of the Underlying will not lead to a corresponding increase in the principal, interest and/or premium payable on the Notes and consequently the value of the Notes.

Any increase in the price, value, level or rate of the Underlying will result in a decrease in the principal, interest and/or premium payable on the Notes, and therefore the market value of such Inversely-Linked Notes.

(ii) Absolute Performance Notes and Swing Notes

The relevant Issuer may issue Notes where the principal, interest and/or premium payable on the Notes is linked to the absolute performance of one or more Underlyings (**"Absolute Performance Notes"**). The principal, interest and/or premium payable on such Absolute Performance Notes will not reflect the direct performance of the Underlying(s), but will instead reflect the volatility in the performance of the Underlying(s). Investors should note that in the case of Absolute Performance Notes, an increase or decrease in the price, value, level or rate of the Underlying(s) will not necessarily mean a corresponding increase or decrease in the value of the Notes.

The relevant Issuer may issue Notes where the principal, interest and/or premium payable is linked to the absolute performance of components in a basket of Underlyings (**"Swing Notes"**). Swing Notes are a type of Absolute Performance Notes, and the risks relating to Absolute Performance Notes also relate to Swing Notes.

(iii) Path Dependent Notes

The relevant Issuer may issue Notes where interest payments are dependent on the interest calculated to be payable on the immediately preceding interest period (**"Path Dependent Notes"**). Such Path Dependent Notes may be structured such that the interest payable is calculated with reference to the interest calculated to be payable for the preceding interest period by, including but not limited to, the addition, subtraction, multiplication or division of another factor. Path Dependent Notes are subject to the risk that if the interest calculated to be payable in respect of one interest period is low, then the interest calculated to be payable in respect of subsequent periods will also be low. Path Dependent Notes are subject to the risk that the increase in interest payable between interest periods may not be as high as expected, and in some cases, there may be no increase in interest payable or there may be a decrease in the interest payable. The change of the interest between interest periods may also be subject to a multiplier and such Notes are subject to the additional risk that if at any time the interest payable becomes zero, the interest payable on any subsequent interest periods will also be zero and will remain zero for the life of the Notes.

(iv) Range Notes

The relevant Issuer may issue Notes whose principal, interest and/or premium payable is dependent on the performance of one or more Underlyings, as observed at such intervals as specified in the relevant Final Terms and within such period as specified in the relevant Final Terms, and the performance of such Underlying(s) as compared to a reference range (**"Range Notes"**). The principal, interest and/or premium payable on such Notes is calculated on various factors including but not limited to the frequency at which the Underlying is observed to have been at, within or outside the reference range. Such reference range may or may not be fixed. Investors should be aware that the principal, interest and/or premium payable on Range Notes may be specified as only accruing or calculated to be payable with reference to the days on which the price, value, level or rate (as the case may be) of such Underlying(s) (the **"Underlying Rate"**) is at, within or outside of the reference range, as set out in the relevant Final Terms. If the Underlying Rate does not fix at or fall within or outside of such range on one or more days during the term of the Notes, then the return on the Notes may be lower than expected, or may even be zero. Noteholders should note that no principal, interest and/or premium accrues or becomes payable with reference to such days when the Underlying Rate does not fix at or does not fall within or outside of the reference range.

Conversely, it may be the case that the Range Notes are structured such that any principal, interest and/or premium ceases to become payable with reference to the days on which the Underlying Rate is at, within or outside the reference range, as set out in the relevant Final Terms. If the Underlying Rate fixes at or falls within or outside such range on one or more days during the term of the Notes, then the return of the Notes may be lower than expected, or may even be zero.

(v) Trigger Notes

The relevant Issuer may issue Notes where the interest payable is linked to an Underlying and the redemption date of the Notes is dependent on the total aggregate amount payable reaching a predetermined target level (the **"Trigger"**) (**"Trigger Notes"**). Once the aggregate amounts paid out on the Note has reached or exceeded the Trigger, the Note will be automatically

redeemed and no further interest on the Notes will be payable. Investors in such Trigger Notes bear the risk that they have no certainty as to the timing of redemption and when they will receive a return of their capital on the Notes.

(vi) Notes subject to optional redemption by the relevant Issuer

Notes may be subject to optional redemption by the relevant Issuer. An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant 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 also may be true prior to any redemption period.

The relevant Issuer may choose to redeem Notes early for various reasons. For example, the relevant Issuer may choose to redeem Notes early 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 and that it may not be able to find a comparable product to the Note being redeemed at the time of redemption. In addition, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes and part of the Noteholders' investment may be lost.

(vii) Risks related to Notes redeemed by physical delivery

If the Notes are, at the option of the relevant Issuer, either physically settled by delivery of shares or other securities or cash settled, then there will be a time lag, if the relevant Issuer chooses to physically settle the Notes, following exercise by the relevant Issuer of its option until such shares or securities are delivered to the relevant Holder's account. Any such delay between the time of exercise by the relevant Issuer of its option and the delivery of the Share Amount will be specified in the Conditions. However, such delay could be significantly longer if the Calculation Agent determines that a Settlement Disruption Event has occurred at the relevant time. Such additional delay could adversely affect the Share Amount.

If a Noteholder does not provide the relevant Issuer through the Delivery Agent with sufficient instructions in a timely manner to enable the relevant Issuer through the Delivery Agent to effect any required delivery of shares or other securities, the due date for such delivery shall be postponed accordingly, which may result in a delay in delivery of the applicable Share Amount.

In the event of the delivery of shares and/or securities upon redemption of their Notes (as specified in the relevant Final Terms), Noteholders shall be required to make certain notifications and take other actions as set out in the Conditions. The failure to deliver any certifications required by the Conditions could result in the loss or inability to receive amounts or deliveries otherwise due under the Notes. Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Notes. Delivery of shares and/or securities is subject to all applicable laws, regulations and practices and the relevant Issuer shall not incur any liability whatsoever if it is unable to deliver or procure the delivery of such shares and/or securities to the relevant Noteholder because of any such laws, regulations or practices.

Each Noteholder should be aware that if their Notes may be redeemed by physical delivery of shares and/or securities and/or other financial instruments (as specified in the relevant Final Terms), it shall be deemed at the time of purchase to acknowledge its understanding and acceptance of this matter and to have made its own examination and assessment of its capacity and power to receive shares and/or securities and/or other financial instruments and not to have relied on any representation of the relevant Issuer, any Agent or the relevant Dealer regarding this matter. In particular, the relevant Issuer and any of its Agents shall not be in any way responsible for checking the capacity and power of any Noteholder to have its Notes redeemed by delivery of shares and/or securities and/or other financial instruments (even if it has notice of any other facts and circumstances), and the relevant Noteholder shall bear full responsibility for any consequences that may arise from the delivery to it of shares and/or securities and/or other financial instruments or, as the case may be, non-delivery as a consequence of the Noteholder not having the required capacity and power to receive delivery of such shares and/or securities.

(viii) Effect of Substantial Redemptions

Substantial redemptions by holders of Fund Interest Units in a fund within a short period of time could require the fund's investment manager(s) and/or adviser(s) to liquidate positions more rapidly than would otherwise be desirable, which could

adversely affect the value of the fund's assets. The resulting reduction in the fund's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

(ix) Business Dependent Upon Key Individuals

All investment decisions with respect to a fund's assets are made by its investment manager(s) and/or adviser(s). Holders of Fund Interest Units in a fund may have no right or power to take part in the management of the fund. As a result, the success of the fund for the foreseeable future will depend largely upon the ability of the investment manager(s) and/or adviser(s). There is no assurance that the strategies employed by the fund will achieve attractive returns or will be successful. Additionally, should the principal decision makers of the investment manager(s) and/or adviser(s) no longer be associated with the investment manager(s) and/or adviser(s), die or become otherwise incapacitated for any period of time, the value or profitability of the fund's investments may suffer.

(x) Investments in Affiliated or Related Entities

A fund may invest a portion of its assets in investment funds, structured fund products, collateralized fund obligation transactions and/or with other accounts managed by the fund's investment manager(s) and/or adviser(s), any of their affiliates and/or related parties. As a result, the investment manager(s) and/or adviser(s), any of their affiliates or related parties, may receive fees based on these investments directly from the fund and, directly or indirectly, from such other investment funds, collateralized fund obligation transactions, structured hedge fund products or accounts in which the fund invests.

(xi) Correlation with market performance

Mutual funds typically have a higher correlation with the market performance than hedge funds and are typically structured so that the return on the Fund Interest Units in the mutual fund will reflect the general performance of market conditions. Investors should note that while mutual funds typically aim to achieve a performance which is better than the average market performance through the use of stock-picking skills or market timing or other strategies, there is no guarantee that the performance of a particular mutual fund will necessarily be better than the average market performance. As such, amounts due to investors in Fund-Linked Notes may be the same as (or worse than) general market performance and this amount could have been achieved at a lower cost through investments other than the Fund-Linked Notes.

Reverse Convertible Notes

Reverse Convertible Notes are interest bearing investment instruments which, at maturity, are either, at the option of the relevant Issuer, redeemed by (i) payment of a Cash Amount, or (ii) payment of a cash amount equal to the level of the Underlying or delivery of the Underlying, in each case, subject to the Final Terms of the relevant Reverse Convertible Note. As such, reverse convertible notes entail the same level of risk of decrease in value as a direct investment in the Underlying. Investors should be aware that their entire investment may be lost. Since reverse convertible notes are of limited maturity, unlike direct investments, investors are not able to hold them beyond their stated maturity date in the expectation of a recovery in the price of the Underlying.

The price at which a Holder will be able to sell reverse convertible notes prior to maturity may be at a potentially substantial discount to the market value of the reverse convertible notes at the issue date, if, at such time and in addition to any other factors, the value of the Underlying is below, equal to or not sufficiently above the value of the Underlying at the issue date.

Partly-Paid Notes

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

Inverse Floating Rate Notes

Investments in Notes which bear interest at an inverse floating rate comprise (i) a fixed base rate minus (ii) a reference rate (**"Inverse Floating Rate Notes"**). Investors should note that any increase in the value or level of the Underlying will not lead to a corresponding increase in the principal, interest and/or premium payable on the Notes and consequently the value of the Notes. Any increase in the value or level of the Underlying will result in a decrease in the principal, interest and/or premium payable on the Notes, and therefore the market value of such Notes. The market value of such Notes is usually more volatile than the market

value of floating rate Notes 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 may further reduce the market value of these Notes.

Variable Rate Notes

The relevant Issuer may issue Notes where the redemption amount, interest and/or premium, if any payable on the Notes is linked to changes in one or more rates and/or Underlyings specified in the Final Terms during the period specified therein. Prospective purchasers of the Notes should make their own independent evaluation of the risks associated with an investment in the Notes. The Underlying Rates to which the Variable Rate Notes are linked to may be volatile and unpredictable. Investors should be aware that it may be possible that there may be significant changes in such Underlying Rates and such changes may lead to a decrease in the value of the value of the Notes and the amount of redemption amount, interest and/or premium, if any, payable on the Notes.

Fixed to Floating Rate Notes

Fixed to floating rate Notes initially bear interest at a fixed rate. Conversion from a fixed rate to a floating rate then takes place either automatically or at the option of the relevant Issuer (if certain predetermined conditions are met or at the sole discretion of the relevant Issuer). The conversion (whether automatic or optional) of the interest rate will affect the secondary market and the market value of the Notes since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to 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.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount 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 Notes. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Noteholders will not be able to calculate in advance their rate of return on 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, so that their return on investment 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 the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the relevant Issuer's ability to issue both Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and vice versa).

Zero coupon Notes are subject to higher price fluctuations than non-discounted Notes.

Changes in market interest rates generally have a substantially stronger impact on the prices of zero coupon Notes than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon Notes can suffer higher price losses than other notes having the same maturity and credit rating.

Subordinated Notes

(i) The relevant Issuer's obligations under Subordinated Notes are subordinated

If the relevant Issuer or the Guarantor is declared insolvent and any applicable winding up, bankruptcy, insolvency or other similar or analogous proceedings are initiated, such Issuer or the Guarantor (as the case may be) will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors and depositors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the relevant subordinated

Notes. If this occurs, the relevant Issuer or Guarantor (as the case may be) may not have enough assets remaining after these payments to pay amounts due under the Notes or the Guarantees (as the case may be).

The relevant Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. Senior Liabilities means all of the relevant Issuer's liabilities which constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the relevant Issuer become insolvent.

(ii) Non Payment under Subordinated Notes

If the relevant Issuer does not make payment for a period of 7 days or more after the due date for the payment of principal or premium (if any) or for a period of 14 days or more after an Interest Payment Date for the payment of interest due in respect of any of the Subordinated Notes on such date, Noteholder(s) of Subordinated Notes have limited rights against the relevant Issuer in the event of any such failure to pay (see Condition 3(b)).

Any deferral of interest payments will likely have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of the interest deferral provision of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the relevant Issuer's financial condition.

Index-Linked Notes, Dual Currency Notes and Inflation-Linked Notes

(i) Index-Linked Notes in general

Index-Linked Notes are debt securities whose redemption amounts, interest payments and/or premium, if any, are linked to the performance of one or more indices, by way of a specified formula or in such other manner as shall be specified in the relevant Final Terms. Such index or indices may contain substantial credit, interest rate or other risks. The amount of principal, interest and/or premium, if any, payable by the relevant Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the Noteholder and may even be zero in which case the Noteholder may lose his entire investment or a payment of interest, principal or premium may occur at a different time than expected.

Index-Linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the relevant Issuer or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

The index itself and the way the index is calculated may change, or the index may be terminated, and there can be no assurance that the index sponsors or licensors will not change the methods by which they calculate the index. In certain circumstances, the actions or omissions of the sponsor of an index to which the Index-Linked Notes are linked and others outside the control of the relevant Issuer and may adversely affect the rights of the Noteholders and/or the value of the Index-Linked Notes, including actions that may give rise to an adjustment to, or early redemption of, the Index-Linked Notes.

None of the Issuers, Dealer(s) or any of their affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of Index-Linked Notes. The issue of Index-Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential). In some cases, Index-Linked Notes may be linked to an index or indices which have been developed internally by an affiliate of the Issuers (**"Fortis Bank Indices"**). In developing and maintaining such Fortis Bank Indices, the affiliates of the Issuers will be involved in determining any changes to be made to the methodology and calculation of the Fortis Bank Indices, the composition of the Fortis Bank Indices and any other activities related to and affecting the level of the Fortis Bank Indices.

Such activities could present certain conflicts of interest and could adversely influence the level of the Fortis Bank Indices, and could consequently adversely affect the value of the Notes.

An investment in Index-Linked Notes is not the same as an investment in the components of the Index and does not confer any legal or beneficial interest in the components of the Index or any voting rights, rights to receive dividends or other rights that a holder of the components of an Index would have.

(ii) Dual Currency Notes

The relevant Issuer may issue Notes with principal, interest and/or premium payable in one or more currencies which may be different from the currency in which the Notes are denominated (**"Dual Currency Notes"**). In addition to the risk factors that may apply to Notes in general, Structured Notes in general and Index-Linked Notes in general, potential investors should be aware that in relation to Dual Currency Notes:

(a) the market price of such Notes may be volatile;

(b) they may receive no interest and/or premium;

(c) payment of principal, interest and/or premium (if applicable) 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; and

(e) there may be movements in currency exchange rates which may result in significant fluctuations that may not correlate with changes in interest rates, currencies or related factors.

(iii) Inflation-Linked Notes

Inflation-Linked Notes are Notes whose redemption amount, interest amounts and/or premium, if any, may be linked to the performance of one or more inflation or price indices during a specified period (as set out in the relevant Final Terms). Investment in Inflation-Linked Notes involves risks not associated with an investment in conventional debt securities. In addition to the risk factors that may apply to Notes in general, Structured Notes in general and Index-Linked Notes in general, potential investors should be aware that in relation to Inflation-Linked Notes:

(a) the payment of principal, interest and/or premium is linked to the change in the level of the relevant inflation or price index. If there is little or no change in inflation, the level of the inflation or price index may not change. If there is deflation, the level of the inflation or price index may decrease; consequently, the payment of principal, interest and/or premium, if any, may be less than expected, may be zero or may be the principal protected amount, if any (as specified in the relevant Final Terms);

(b) the inflation or price index itself and the way such inflation or price index is calculated may change in the future. There can be no assurance that the sponsor of the relevant inflation or price index will not change the method by which it calculates the index. In addition, changes in the way the inflation or price index is calculated could reduce the level of the index, lower the redemption amount, interest amount and/or premium, if any, payable on the Notes and consequently significantly reduce the value of the Notes. If the relevant inflation or price index is substantially altered or has been terminated and/or a substitute index is employed to calculate the redemption amount, interest amounts and/or premium, if any, payable on the Notes, as described in the applicable Final Terms, that substitution may adversely affect the value of the Notes;

(c) the historical levels of the relevant inflation or price index are not an indication of future levels of such index. Fluctuations and trends in the inflation or price index that may have occurred in the past are not necessarily indicative of fluctuations or trends that may occur in the future. Noteholders will receive the redemption amount, interest amounts and/or premium, if any, which will be affected by changes in the relevant inflation or price index and such changes may be significant. Changes in the inflation or price index may be a result of various factors over which the relevant Issuer has no control; and

(d) where an "adjusted" inflation or price index is being used in calculating the redemption amount, interest amounts and/or premium, if any, payable on the Notes, there is a risk that the adjustments that have been made by the sponsor of such "adjusted" inflation or price index have not been made accurately in reducing the impact of seasonally and trends which affect inflation. Conversely, where a "non-adjusted" inflation or price index is being used in calculating the redemption amount, interest amounts and/or premium, if any, payable on the Notes, Noteholders should be aware that such "non-adjusted" inflation or price index is subject to the effects of seasonality and trends which affect inflation.

Equity-Linked Notes

The interest amount and/or the redemption amount in relation to Equity-Linked Notes is linked to the performance of a share or of a basket of shares (the **"Underlying Shares"**). An investment in these Notes entails significant risks not associated with a similar investment in fixed or floating rate debt securities. An investment in Equity-Linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly. Investors should also note the risk factors relating to Notes in general and the risk factors relating to Structured Notes in general.

Changes in the value of the Underlying Shares cannot be predicted. If so provided in the relevant Final Terms, the Equity-Linked Notes may be subject to early redemption by reference to changes in the value of the Underlying Shares. If Equity-Linked Notes are redeemed prior to maturity, the value may be less than the nominal amount.

No investigation has been made of the financial condition or creditworthiness of any issuer of the Underlying Shares or components thereof in connection with the issue of the Equity-Linked Notes. Prospective investors should obtain and evaluate information concerning the Underlying Shares and each issuer thereof as if they were investing directly in the Underlying Shares. Prospective investors should understand that the historical performance of the Underlying Shares or component thereof should not be viewed as predictive of any future performance.

The value of Equity-Linked Notes prior to maturity is expected to depend on a number of factors including the performance achieved by the Underlying Shares until that time, prevailing market interest rates, macro-economic and micro-economic factors, general market volatility and time to maturity. Such factors interact in complex ways and may result in the price at which a Noteholder will be able to sell its Notes prior to maturity being at a substantial discount from the principal amount outstanding on the Notes.

Investors in the Notes should note that an investment in Equity-Linked Notes is not the same as an investment in the Underlying Shares and does not (prior to settlement of any exchange of Equity-Linked Notes for the Underlying Shares if applicable) confer any legal or beneficial interest in the Underlying Shares, or any voting rights, rights to receive dividends or other rights that a holder of the Underlying Shares would have.

In certain circumstances, the actions or omissions of the issuer or issuers of Underlying Shares to which the Equity-Linked Notes relate or for which the Equity-Linked Notes are exchangeable may adversely affect the rights of the Noteholders and/or the value of the Notes, including actions which may give rise to an adjustment to, or early redemption of the Notes.

Fund-Linked Notes

The redemption amount or, if applicable, the interest amount in relation to Fund-Linked Notes is linked to the performance of a unit, share or other interest in a fund (each a "Fund Interest Unit") or a basket of Fund Interest Units. Such funds may include mutual funds, hedge funds, funds of hedge funds or any other types of fund in any jurisdiction, or any combination of the foregoing. Investments offering direct or indirect exposure to the performance of funds are generally considered to be particularly risky.

An investment in Fund-Linked Notes entails significant risks not associated with a similar investment in fixed or floating rate debt securities. An investment in Fund-Linked Notes may bear similar market risks to a direct investment in funds and investors should take advice accordingly. Investors should also note the risks relating to the Notes in general and the risks relating to Structured Notes in general.

Prospective investors in any Fund-Linked Notes should be aware that depending on the terms of the relevant Fund-Linked Notes (i) they may receive no or only a limited amount of interest, (ii) payment of principal or interest (if applicable) may occur at a different time than expected, (iii) except to the extent that the relevant Fund-Linked Notes are 100 per cent. principal protected at

scheduled maturity, they may lose all or a substantial portion of their investment and (iv) even if the Fund-Linked Notes are 100 per cent. principal protected at scheduled maturity, they may still lose all or a substantial portion of their investment if they sell their Fund-Linked Notes prior to the Maturity Date or if the relevant Fund-Linked Notes are redeemed prior to the Maturity Date for any reason.

Prospective investors should note that payments on redemption of Fund-Linked Notes at maturity or early redemption may be postponed up to a specified long stop date if the Issuer determines that a hypothetical investor in the relevant fund units or shares would not, having submitted a notice requesting redemption at the relevant time, have received the redemption proceeds on or prior to the date which is four Currency Business Days prior to the scheduled settlement date. In addition, if the specified long stop date is reached, for the purposes of determining the Final Redemption Amount, the Redemption Amount or any other redemption amounts, as applicable, the affected fund interest units or shares will be deemed to have a zero value.

Prospective investors should also be aware that, depending on the terms of the relevant Fund-Linked Notes, if one or more Fund Events occurs then Fund Interest Replacement (which requires the Calculation Agent to substitute the affected Fund Interest Units with other Fund Interest Units with similar characteristics, unless no successor Fund Interest Units have been identified within a specified period) will apply unless the Calculation Agent determines that Fund Interest Replacement is not appropriate or commercially reasonable in which case Calculation Agent Adjustment (which requires the Calculation Agent to make such adjustments to the terms of the relevant Fund-Linked Notes to account for such Fund Event as it considers appropriate (including, without limitation, to the calculation of and payment dates of amounts due under the Notes)) will apply unless the Calculation Agent determines that no adjustment it could make would produce a reasonable result in which case the Issuer shall redeem the Notes early at their Early Redemption Amount. The effect of a substitution of affected Fund Interest Units with other Fund Interest Units with similar characteristics may have an adverse effect on the return and risk profile of the relevant Fund-Linked Notes, and consequently, the value of such Notes.

In addition, investors should note that if Fund-Linked Notes are redeemed following the occurrence of a Fund Event, the Redemption Amount they receive may be considerably less than the principal amount of the Notes and may even be zero. If the Fund-Linked Notes are principal protected (in whole or in part) at scheduled maturity, the Redemption Amount will be floored at the net present value of a payment of the protected amount at maturity. However investors should note that if the Fund-Linked Notes are not principal protected (in whole or in part) at scheduled maturity the Redemption Amount they receive may be considerably less than the amount which they invested and may even be zero.

Consequently potential investors in Fund-Linked Notes should carefully consider the Fund Events in respect of such Fund-Linked Notes.

Changes in the value of the Fund Interest Units referenced by any Fund-Linked Notes cannot be predicted. In addition, the movements in the value of Fund Interest Units may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant value of the Fund Interest Units 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 price or prices of the units, shares or interests in the fund or funds, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the value of the relevant Fund Interest Units on principal or (if applicable) interest payable will be magnified.

Prospective investors should obtain and evaluate information concerning the relevant Fund Interest Units and the relevant fund(s) as if they were investing directly in those Fund Interest Units. Prospective investors should understand that the historical performance of any Fund Interest Units should not be viewed as predictive of any future performance. Prospective investors should carefully review the prospectus, information memorandum and/or offering circular (if any) issued by any relevant fund or funds before purchasing any Notes and, in particular, the risk factors or risk warnings set out therein.

Prospective investors should also note that simply observing the performance or any trend in the performance of the underlying Fund Interest Units would not provide an accurate indication of the performance of the Notes. The performance of the Fund-Linked Notes may be less than or more than the performance of the underlying Fund Interest Units.

The value of Fund-Linked Notes prior to maturity is expected to depend on a number of factors including the performance achieved by the relevant Fund Interest Units until that time, prevailing market interest rates, macro-economic and micro-economic

factors, general market volatility, volatility of the price of units or shares in the fund or funds and time to maturity. Such factors interact in complex ways and may result in the price at which a Noteholder will be able to sell its Notes prior to maturity being at a substantial discount from the principal amount outstanding on the Notes. The value of Fund Interest Units may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) (if any) on which any Fund Interest Units may be traded. In addition, the value of Fund Interest Units may be affected by the performance of the relevant fund's service providers (each a "Service Provider") including the fund's investment manager(s) and/or adviser(s), administrator and custodian. None of the Issuer, the Dealer or any of their respective affiliates makes any representation as to the creditworthiness of any fund or any of its Service Providers.

Investors in Fund-Linked Notes should note that an investment in Fund-Linked Notes is not the same as an investment in the relevant Fund Interest Units and does not confer any legal or beneficial interest in such Fund Interest Units, or any voting rights, rights to receive dividends or other rights that a holder of such Fund Interest Units would have.

In certain circumstances, the actions or omissions of the fund or funds to which the Fund-Linked Notes relate or any Service Providers may adversely affect the rights of the Noteholders and/or the value of the Notes, including actions which may give rise to an adjustment to, or early redemption of, the Notes.

None of the Issuer, the Dealer or any of their respective affiliates is responsible for the lawfulness or suitability of the acquisition of the Fund-Linked Notes by a prospective investor or purchaser of Notes or for compliance by a prospective investor or purchaser of Notes (whether it is acquiring the Notes in a principal or in a fiduciary capacity) with any law, regulation, directive or policy applicable to it or, if it is acquiring the Notes in a fiduciary capacity, the beneficiary. A prospective investor or purchaser of Notes may not rely on the Issuer, the Dealer or any of their respective affiliates when making determinations in relation to any of these matters.

There are substantial risks in directly or indirectly investing in funds including, without limitation, the risks set out below. Prospective investors should note that references to funds below can refer both to the funds referenced in any Fund-Linked Notes and also to any funds in which any of those funds invests its assets from time to time.

(i) Regulatory supervision: mutual funds subject to high level of regulation; hedge funds are largely unregulated

Mutual funds are generally subject to a high level of regulation and various compliance requirements including, but not limited to, the level of information disclosure, the scope of their investments and the types of assets in which they are allowed to invest. Mutual funds may therefore be subject to the risk that regulation may be amended such that the requirements imposed on the mutual fund may become onerous or impose additional costs which may consequently have an adverse effect on the value of the units of the mutual fund.

Hedge funds are largely unregulated and are not usually subject to the mutual fund requirements to provide certain periodic and standardised pricing and valuation information to their investors. Hedge funds typically have very few restrictions on their investment powers.

(ii) Lack of transparency and publicly available information

Hedge funds, unlike more regulated mutual funds registered for distribution to the public, are subject to limited regulatory, disclosure and reporting requirements. Hedge funds might provide no transparency regarding their underlying investments (including sub-funds in a fund of funds structure) and it may therefore not be possible to monitor the specific investments made by the hedge fund or, in a fund of funds structure, to know whether the sub-fund investments are consistent with the hedge fund's investment strategy or risk levels. No, or only a relatively small amount of, publicly available information about hedge funds, their holdings and performance, may be available.

(iii) Leverage

Mutual funds generally have upper limits on leverage. Hedge funds, however, may be leveraged and may be very highly leveraged. Hedge funds might not be limited in the extent to which they use various lines of credit and other forms of leverage (for example, swaps, futures, options, repurchase agreements and margin transactions). Leverage presents the potential for a higher rate of return but also increases the volatility of the fund and increases the risk of a total loss of the amount invested.

(iv) Illiquid investments; Suspension of Subscriptions and Redemptions

Funds may make investments which have very poor liquidity. For example, a fund may make investments which are difficult or impossible to transfer (as a result of legal restrictions or otherwise) or for which no liquid market exists. Illiquidity of investments could adversely affect a fund's ability to meet redemption requests. Funds generally have a large discretion to suspend subscription for and/or redemption of shares or units therein for many reasons, which may include without limitation a lack of liquidity in its underlying investments. In addition, the more illiquid the investment the more likely a realisation of that investment will be on unfavourable terms, which could in turn have an adverse effect on the value and performance of the fund.

(v) Effect of Substantial Redemptions

Substantial redemptions by holders of Fund Interest Units in a fund within a short period of time could require the fund's investment manager(s) and/or adviser(s) to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the fund's assets. The resulting reduction in the fund's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

(vi) Short sales

Funds might engage in short selling, which involves the sale of a security that it does not own made in the expectation that the price of that security is going to fall and the fund will then be able to cover the sale by buying the security back at a lower price. This may expose the fund to potentially unlimited risk of an increase in the price of such security, which could therefore result in a potentially unlimited loss.

(vii) Derivative financial instruments risk

Due to the potential use of derivative financial instruments and structured products combined with the possibility of borrowing, the assets of a fund might not be enough to cover its commitments.

(viii) Concentration risk

A fund's assets and/or investments may be concentrated in a few markets, countries, industries, commodities, sectors of an economy or issuers. If so, adverse movements in a particular market, country, industry, commodity, economy or industry or in the value of the securities of a particular issuer could have a severely negative effect on the value of such a fund. In addition, a fund may use a single advisor or employ a single strategy, which could mean a lack of diversification and higher risk.

(ix) Investment in securities of issuers in emerging markets

Some funds may invest in securities of issuers in emerging markets. Emerging markets are at an early stage of development. Such investment involves special risks including currency rate fluctuations, political and economic instability, foreign taxes and different regulatory, auditing and reporting standards. The political, regulatory and economic risks inherent in investments in emerging markets' securities are significant and may differ in kind and degree from the risks presented by investments in the world's major securities markets. These may include greater price volatility, substantially less liquidity and controls on foreign investment and limitations on repatriation of invested capital. Costs relating to investment will also tend to be higher. Variations in interest rates will influence the value of funds investing in bonds and other fixed income securities.

(x) Role of investment adviser or manager; investment strategies

Funds will generally have appointed one or more investment manager(s) and/or adviser(s) to pursue its investment strategies and the performance of the hedge fund will depend on the performance of the investments selected by those investment manager(s) and/or adviser(s). Investment manager(s) and/or adviser(s) generally have a large amount of discretion to invest the assets of the fund and there can be no assurance that investment decisions will be successful or profitable.

(xi) Business Dependent Upon Key Individuals

All investment decisions with respect to a fund's assets are made by its investment manager(s) and/or adviser(s). Holders of Fund Interest Units in a fund may have no right or power to take part in the management of the fund. As a result, the success of the fund for the foreseeable future will depend largely upon the ability of the investment manager(s) and/or adviser(s). There is no assurance that the strategies employed by the fund will achieve attractive returns or will be successful. Additionally, should the principal decision makers of the investment manager(s) and/or adviser(s) no longer be associated with the investment manager(s) and/or adviser(s), die or become otherwise incapacitated for any period of time, the value or profitability of the fund's investments may suffer.

(xii) Assets may be held with entities with limited regulatory obligations

Some funds might appoint a bank, broker, prime broker or derivative counterparty to be responsible for clearing, financing and reporting services with respect to the securities transactions entered into by or on behalf of the fund. In certain cases such banks, brokers, prime brokers or derivative counterparties may not have the same capabilities, size and/or credit rating as a large European bank (and may in some cases have no credit rating at all) and may in some cases have no or limited regulatory obligations. If the insolvency of any such entity the fund may lose some or all of the investments held or entered into with such entity.

(xiii) Fee arrangements

Funds typically have extensive and complex fee structures.

A hedge fund would typically agree to pay a performance or incentive fee in addition to an advisory fee to its investment manager(s) and/or adviser(s). Any such performance or incentive fee may be substantial and, as it is usually linked to the performance of the hedge fund over the relevant period of time, may lead an investment manager and/or adviser to take riskier or more speculative approaches than would be the case if such fees were not paid to the investment manager and/or adviser, or were not linked to the performance of the hedge fund.

Although mutual funds do not typically pay a performance or incentive fee in addition to an advisory fee to its investment manager(s) and/or adviser(s), mutual funds will generally pay fees that have been regulated by law. The regulations regarding the fees that may be paid by mutual funds may be subject to change, and if they are amended so as to impose additional fees on investors in mutual funds, this may have an adverse effect of the value of the units or shares in the mutual fund.

In addition, a fund will usually be obliged to pay fees to its directors and to its other Service Providers (for example, its administrator and its custodian or similar entities) and also any legal, accounting, auditing and administrative charges, and any extraordinary expenses, in each case regardless of whether it realises profits.

(xiv) Currency and exchange risks and other risks

Funds might be subject to currency and exchange risks in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions, political risks relating to political, social and economic factors which may affect their assets, which could be held in countries which may be subject to economic difficulties, political or social unrest.

(xv) Foreign exchange/currency risk

Funds may invest their assets in securities denominated in a wide range of currencies and, consequently, the net asset value of the Fund Interest Units of such a Fund will fluctuate in accordance with the changes in the foreign exchange rate between the currency of such Fund Interest Unit and the currencies in which its investments are denominated.

(xvi) Investments in Affiliated or Related Entities

A fund may invest a portion of its assets in investment funds, structured fund products, collateralized fund obligation transactions and/or with other accounts managed by the fund's investment manager(s) and/or adviser(s), any of their affiliates and/or related parties. As a result, the investment manager(s) and/or adviser(s), any of their affiliates or related parties, may receive fees based on these investments directly from the fund and, directly or indirectly, from such other investment funds, collateralized fund obligation transactions, structured hedge fund products or accounts in which the fund invests.

(xvii) Correlation with market performance

Mutual funds typically have a higher correlation with the market performance than hedge funds and are typically structured so that the return on the Fund Interest Units in the mutual fund will reflect the general performance of market conditions. Investors should note that while mutual funds typically aim to achieve a performance which is better than the average market performance through the use of stock-picking skills or market timing or other strategies, there is no guarantee that the performance of a particular mutual fund will necessarily be better than the average market performance. As such, amounts due to investors in Fund-Linked Notes may be the same as (or worse than) general market performance and this amount could have been achieved at a lower cost through investments other than the Fund-Linked Notes.

(xviii) Operating histories

Funds may have short or no operating histories, in which case it would not be possible to evaluate the merits of an investment in the fund based on past performance. In any event, past results are not necessarily indicative of future performance. No assurance can be given that a fund will perform well or that it will achieve its investment objectives. Substantial losses or total losses may be incurred by funds.

Credit-Linked Notes

(i) General

Investment in the Credit-Linked Notes is directed at investors who are conversant with the considerable risks involved in credit derivatives, who are willing to assume such risks, and who can absorb a partial or complete loss of principal and interest. The Credit-Linked Notes carry various risks including, without limitation, the insolvency risk of the relevant Issuer and, where applicable, the Guarantor and the insolvency, payment default and credit risk of the Reference Entities.

The amount of principal and/or interest payable in respect of the Credit-Linked Notes is dependent upon whether certain events ("**Credit Events**") have occurred with respect to one or more entities comprising Reference Entities (each, a "**Reference Entity**" and collectively the "**Reference Entities**" or the "**Reference Portfolio**"). If one or more Credit Events occur in relation to the Reference Entities, the amount of principal to be redeemed under the Notes upon maturity or early redemption and the amounts of interest under the Notes payable until maturity and early redemption is highly likely to be reduced. Accordingly, the amount payable to investors on redemption may be substantially less than the initial principal amount of the Notes and may even be zero.

Consequently, each prospective purchaser of the Notes should understand that the Notes are not principal or coupon guaranteed and it may lose, in part or in whole, amounts invested in the Notes, for instance, but not limited to, as the result of a Credit Event occurring with respect to one or more Reference Entities. An investor should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

In the case of Credit-Linked Notes with physical settlement, Noteholders may receive in lieu of any payment of principal, certain securities of the Reference Entities which may have a market value substantially less than that of the initial investment of such Noteholder. Prospective investors should note that they may be required to take delivery of these securities and should ensure that they have the capacity to receive such obligations on purchasing the Notes.

Where cash settlement or auction settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the Notes in a reduced principal amount or at zero, and, (if applicable) in a reduction of the amount on which interest is calculated.

Where the Notes provide for physical delivery, the relevant Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (b) assets which the relevant Issuer and/or any affiliate has not received under the terms of any transaction entered into by the relevant Issuer and/or such affiliate to hedge the relevant Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of

the valuation of such Notes and as a result, the amount of principal payable on redemption. Prospective Investors should review the Terms and Conditions of the Notes and the applicable Final Terms to ascertain whether and how such provisions should apply to the Notes.

The terms and conditions of the Credit-Linked Notes provide an option for the Calculation Agent to adjust the applicable credit-linked terms and conditions if the relevant Issuer to adhere to any protocols published by ISDA after the Issue Date of the relevant Credit-Linked Notes. These protocols may set out alternative settlement or valuation methods in relation to a Reference Entity. The Calculation Agent is under no obligation to inform Noteholders of any changes that it may make to the applicable credit-linked terms and condition and is not required to take the interests of Noteholders into account when making such changes. In certain circumstances this may reduce the amount that Noteholders actually receive on redemption of the Credit-linked Note in comparison to what they might have received had the relevant terms and conditions not been altered.

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

Investors in the Notes have to make their own analysis as to the suitability of investment in the Notes, the terms and conditions of which are set out in the relevant Final Terms, and may not rely on any prior representations made which would not be in accordance with the information described in the relevant Final Terms.

(ii) Limited liquidity of Credit-Linked Notes

There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity or that it will continue for the life of the Notes.

No person has granted any undertaking to provide any secondary market for the Notes.

Consequently, any purchaser of the Notes must be prepared to hold the Notes for an indefinite period of time or until final redemption or maturity of the Notes. The purchase of the Notes is only suitable for investors who can bear the risks associated with a lack of liquidity in the Notes.

(iii) Credit observation period

Holders of the Notes may suffer a loss of some or all of the principal amount of the Notes in respect of one or more Credit Events that occur prior to the Trade Date or the Issue Date. Neither the Calculation Agent or the Issuer nor any of their respective affiliates has any responsibility to inform any Noteholder, or avoid or mitigate the effects of a Credit Event that has taken place prior to the Trade Date or the Issue Date.

(iv) Actions of Reference Entities

Actions of Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of the Notes. Holders of the Notes should be aware that the Reference Entities to which the value of the Notes is exposed, and the terms of such exposure, may change over the terms of the Notes.

(v) *Limited provision of information about the Reference Entities*

This Prospectus does not provide any information with respect to the Reference Entities. Investors should conduct their own investigation and analysis with respect to the creditworthiness of Reference Entities and the likelihood of the occurrence of a Succession Event or Credit Event.

Reference Entities may not be subject to regular reporting requirements under United Kingdom securities laws. The Reference Entities may report information in accordance with different disclosure and accounting standards. Consequently, the information available for such Reference Entities may be different from, and in some cases less than, the information available for entities that are subject to the reporting requirements under the United Kingdom securities laws. None of the Issuer or the Calculation Agent or any of their respective affiliates make any representation as to the accuracy or completeness of any information available with respect to the Reference Entities.

None of the relevant Issuers or the Calculation Agent or any of their respective affiliates will have any obligation to keep investors informed as to any matters with respect to the Reference Entities or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event or a Succession Event with respect to the Reference Entities.

(vi) Credit Derivatives Determinations Committee and Market Auctions

The institutions of the Credit Derivatives Determinations Committee have the ability to make determinations that may materially affect the Noteholders, such as the occurrence of a Credit Event or a Succession Event. The Credit Derivatives Determinations Committee may be able to make determinations without action or knowledge of the Noteholders.

Noteholders may have no role in the composition of the Credit Derivatives Determinations Committee or the process for selecting institutions to participate on the Credit Derivatives Determinations Committee from time to time.

Noteholders may have no recourse against either the institutions serving on the Credit Derivatives Determinations Committee or the external reviewers. Institutions serving on the Credit Derivatives Determinations Committee and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules (as defined below), except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the institutions on the Credit Derivatives Determinations Committee do not owe any duty to the Noteholders and the Noteholders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Noteholders should also be aware that institutions serving on the Credit Derivatives Determinations Committee have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committee is not obligated to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts. If any of the Issuers or, if applicable, the Guarantor or any of their respective affiliates serve as a member of the Credit Derivatives Determinations Committee at any time, then they will act without regard to the interests of the Noteholders.

Noteholders are responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committee. Neither of the Issuers or, if applicable, the Guarantor nor any of their respective affiliates shall be obliged to inform the Noteholders of such information (other than as expressly provided in respect of the Notes, if applicable).

Investors should read the Credit Derivatives Determinations Committees Rules (the "**Rules**") set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009), as amended from time to time, and reach their own views prior to making any investment decisions. Investors should however note that the Rules may be amended from time to time without the consent or input of the Noteholders and the powers of the Credit Derivatives Determinations Committee may be expanded or modified as a result.

If a Credit Derivatives Determinations Committee publishes auction settlement terms in respect of a Reference Entity (and the relevant seniority of the Reference Obligation), then, if auction settlement applies to the Notes, the Calculation Agent will determine the Final Price of the Reference Obligation in accordance with such auction settlement terms and may amend any other terms to be consistent with the provisions of such auction settlement terms. The losses determined pursuant to a market auction process may be greater than the losses which would have been determined in the absence of the auction. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, the Issuer nor any of their respective affiliates has any responsibility for verifying that any auction price is reflective of current market values, for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. If the Calculation Agent or the Issuer or any of their respective affiliate thereof participates in any auction, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction.

(vii) Conflicts of interest, Fortis Bank

Potential investors should pay attention to the fact that Fortis Bank is arranger, Issuer or Guarantor, and may be Calculation Agent, protection buyer under a credit default swap in relation to an identical Reference Portfolio (in such capacity, the **"Credit Default Swap Counterparty"**), and is underwriting the issue of the Notes, so that various potential and actual conflicts of interest may arise. In order to mitigate the occurrence of such conflicts of interest, Fortis Bank, when acting in its various capacities in connection with the issue of the Notes, shall comply with the standards of conduct applicable generally to banks in Belgium, as applied by Fortis Bank's internal compliance procedure. Fortis Bank acting in such capacities shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

In case of the occurrence of a conflict of interest as described above, the Credit Default Swap Counterparty shall not be obliged to give priority to the interests of the Issuer. For the avoidance of doubt, the Credit Default Swap Counterparty shall be under no obligation to prioritise the Issuer over any other issuer involved in its commercial arrangements outside the arrangements relating to the Notes.

As Calculation Agent, Fortis Bank acts solely as agent of the Issuer and as Guarantor (in case of Notes issued by BP2F) and it does not assume any obligation, relationship of agency, trust or other responsibility toward the Noteholders. Therefore, potential conflicts of interest may exist between the Calculation Agent and the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent may make under the Conditions, which may influence the amount receivable upon redemption of the Notes and the amount of interest receivable.

As Calculation Agent, Fortis Bank will make certain determinations and judgments in good faith and in a commercially reasonably manner. Such determinations and judgments including the valuation of a Credit Event on a Reference Entity, which will impact the calculation of the coupon and the redemption amount. The interests of Fortis Bank as Credit Swap Counterparty do not correspond with and can be opposite to the interests of the Noteholders.

(viii) Conflicts of Interest, BP2F

BP2F, as Issuer, may from time to time enter into credit default swap agreements with Fortis Bank or other counterparties in respect of Notes which it issues. Fortis Bank, as guarantor of notes issued by BP2F, may enter into credit default swap agreements with other counterparties. BP2F, as Issuer, may issue further credit-linked notes, involving the same, similar or other Reference Entities.

(ix) Independent review and advice

Each prospective purchaser of Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of the relevant Issuer and, where applicable the Guarantor, any Reference Entity and the terms of the Notes) and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, whether an investment in the Notes is appropriate in its particular circumstances.

In so doing, and without restricting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with its articles of association and with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Neither the relevant Final Terms, any other parts of the Base Prospectus nor any other information supplied in connection with any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation by the relevant Issuer, or any other person that any recipient of the Final Terms, any other part of the Base Prospectus or any other information supplied in connection with any of them should purchase any Notes.

In case of any doubt about the content or the meaning of the Final Terms, the functioning of the Notes or about the risk involved in purchasing the Notes, investors should consult a specialised financial adviser or abstain from investing.

Neither the Issuers, the Guarantor, the Arranger, the Calculation Agent, the Delivery Agent, the Credit Swap Counterparty, the Paying Agents, Fiscal Agent or any other party makes any representation as to the credit quality of any Reference Entity. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to such Reference Entity. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or status of affairs of any Reference Entity or conduct any investigation or due diligence into any Reference Entity.

(x) Increased credit risk in "Nth-to-default" Credit-Linked Notes

Where the Notes are Nth-to-Default CLNs, the Notes will be subject to redemption in full as described above upon the occurrence of a Credit Event in relation to the nth Reference Entity.

(xi) Concentration of credit risk

Where the Notes are Nth-to-Default CLNs or Linear Basket CLNs, the credit risk to investors in the Notes may be increased, amongst other things, as a result of the concentration of Reference Entities in a particular industry sector or geographic area, or the exposure of the Reference Entities to similar financial or other risks as other Reference Entities.

(xii) Issuer and Calculation Agent rights

Each Issuer will exercise its rights under the terms of the Notes, including in particular any right to designate a Credit Event and any right to select obligations of the affected Reference Entity for valuation or delivery, in its own interests and those of its affiliates, and not in the interests of investors in the Notes. The exercise of such rights in such manner, for example by the selection of the eligible obligations of the Reference Entity having the lowest possible market value for valuation or delivery, as applicable, may result in an increased credit loss for holders of the Notes.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent shall (in the absence of manifest error) be final and binding on the Noteholders. In performing its duties pursuant to the Notes and making any determinations expressed to be made by it, for example, as to substitute Reference Obligations or Successors, the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Noteholders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations. The Calculation Agent is not bound to follow, or act in accordance with, any determination of the relevant Credit Derivatives Determinations Committee.

(xiii) Deferral of payments

In certain circumstances, for example where (i) a Credit Event has occurred and the related credit loss has not been determined as at the relevant date for payment, (ii) where a potential Credit Event exists as at the scheduled maturity of the Notes, or (iii) pending a resolution of a Credit Derivatives Determinations Committee, payment of the redemption amount of the Notes and/or interest on the Notes may be deferred for a material period in whole or part without compensation to the holders of the Notes.

(xiv) Valuation

If the Notes are cash settled, then, following the occurrence of a Credit Event, the Calculation Agent may be required to seek quotations in respect of selected obligations of the affected Reference Entity. Quotations obtained may be "bid-side" - that is, they may be reduced to take account of a bid-offer spread charged by the relevant dealer. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cash flows. Quotations may be deemed to be zero in the event that no such quotations are available.

Where credit losses are determined on the basis of a market protocol, such losses may be greater than the losses which would have been determined in the absence of such protocol. If the Calculation Agent or any affiliate thereof participates in any auction for the purposes of such a protocol, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction.

(xv) "Cheapest-to-Deliver" risk

Since the Issuer, as buyer of protection, has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of a Reference Entity where Cash or Physical Settlement apply, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest market value that are permitted to be selected pursuant to the Notes. This could result in a lower recovery value and hence greater losses for investors in the Notes.

(xvi) No information

None of the Issuer, the Guarantor (if applicable), the Calculation Agent or any other party is obliged to disclose to holders of the Notes any information which they may have at the Issue Date or receive thereafter in relation to any Reference Entity.

(xvii) No interest in obligations of Reference Entities

The Notes do not constitute an acquisition by the holders of the Notes of any interest in any obligation of a Reference Entity. The relevant Issuer does not grant any security interest over any such obligation.

INFORMATION INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. The 2010 annual report of Fortis Bank including, in particular, the audited annual financial statements of Fortis Bank, including, among other things:

(a)	the audited consolidated profit and loss account, balance sheet and income statement of Fortis Bank for the financial year ended 31 December 2010	pages 41-42
(b)	the audited consolidated cash flow statement of Fortis Bank for the financial year ended 31 December 2010	pages 44
(c)	the notes to the consolidated balance sheet and income statement for the financial year ended 31 December 2010	pages 68-72, 108-129 and 137-196
(d)	the unqualified statutory auditor's report of the joint statutory auditors on the consolidated financial statements for the year ended 31 December 2010 (including their opinion with explanatory paragraphs) submitted to the General Shareholder's Meeting of Fortis Bank	pages 197-200
(e)	the section headed 'Indemnification of Directors' describing decisions of the Board of Fortis Bank of 2 December 2010 and 13 January 2011	pages 231-232
(f)	the section headed 'Information related to Article 524 of the Belgian Companies code providing additional information on transactions with BNP Paribas	pages 233-248

2. The 2009 annual report of Fortis Bank including, in particular, the audited annual financial statements of Fortis Bank, including, among other things:

(a)	the audited consolidated balance sheet and income statement of Fortis Bank for the financial year ended 31 December 2009	pages 42-43
(b)	the audited consolidated cash flow statement of Fortis Bank for the financial year ended 31 December 2009	pages 46
(c)	the notes to the consolidated balance sheet and income statement for the financial year ended 31 December 2009	pages 181-256
(d)	the qualified statutory auditor's report of the joint statutory auditors on the consolidated financial statements for the year ended 31 December 2009 (including their opinion with explanatory paragraphs) submitted to the General Shareholder's Meeting of Fortis Bank	Pages 283-286

3. The 2010 audited annual financial statements of BP2F, including, among other things:

(a)	the profit and loss account and balance sheet	Pages 12-13
(b)	the notes to the company accounts	Pages 14-21
(c)	the unqualified auditor's report to the audited annual financial statements for the financial year ended 31 December 2010	Pages 3-4

4. The 2009 audited annual financial statements of BP2F, including, among other things:

(a)	the balance sheet and the profit and loss account	pages 3-4
(b)	the notes to the company accounts	pages 5-10
(c)	the unqualified auditor's report to the audited annual financial statements for the financial year ended 31 December 2009	pages 1-2

5. The cash flow statements of BP2F for the years ended 31 December 2010 and 31 December 2009;

6. The terms and conditions set out on pages 8 to 26 of the offering circular dated 5 September 2003 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2003 Conditions"**);

7. The terms and conditions set out on pages 8 to 26 of the offering circular dated 3 September 2004 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2004 Conditions"**);

8. The terms and conditions set out on pages 20 to 71 of the base prospectus dated 3 November 2005 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2005 Conditions"**);

9. The terms and conditions set out on pages 27 to 125 of the base prospectus dated 29 September 2006 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2006 Conditions"**);

10. The terms and conditions set out on pages 26 to 142 of the base prospectus dated 9 July 2007 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2007 Conditions"**);

11. The terms and conditions set out on page 36 to 195 of the base prospectus dated 23 September 2008 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2008 Conditions"**); and

12. The terms and conditions set out on page 46 to 208 of the base prospectus dated 17 June 2009 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2009 Conditions**").

13. The terms and conditions set out on page 50 to 240 of the base prospectus dated 17 June 2010 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2010 Conditions**").

Apart from the information itemised in the table above, information contained in the documents which have been incorporated by reference have been included for informational purposes only. This Base Prospectus, together with applicable Final Terms issued in respect of each Tranche of Notes, may only be used in connection with the offer, sale and admission to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system of Notes in an aggregate principal amount of not more than EUR 30,000,000,000 (or its equivalent in other currencies) outstanding at any time.

Copies of this Base Prospectus (and all documents forming part thereof) are available free of charge from the principal offices of the respective Paying Agents and the Listing Agent in Luxembourg and the respective registered offices of the Issuers. In addition, this Base Prospectus the documents incorporated by reference as stated above and the Final Terms of any Tranche admitted to listing on the official list and to trading on the Luxembourg Regulated Market will be available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) (in the case of Notes admitted to the Official List and admitted to trading on the Luxembourg Regulated Market).

FINAL TERMS AND DRAWDOWN PROSPECTUS

In this section the expression **"necessary information"** means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers and the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuers and the Guarantor have endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will therefore be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, will be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or Drawdown Prospectus, as the case may be. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

An Issuer and, if applicable, the Guarantor, may agree with any Dealer that Notes may be issued, offered to the public, and/or admitted to trading on a regulated market in a form not contemplated by the Terms and Conditions of the Notes described in this Base Prospectus, in which event a supplement to the Base Prospectus or a Drawdown Prospectus, will be submitted for approval to the relevant competent authority and will be made available. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

In accordance with Article 5.3 of the Prospectus Directive, the Drawdown Prospectus will be drawn up as a single document, incorporating by reference, if applicable, the relevant part of the Base Prospectus.

The Issuers and the Guarantor have undertaken in connection with the admission to listing on the official list and to trading of the Notes on the Luxembourg Regulated Market, and/or the admission to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, or/and in connection with an offer to the public of Notes, that if at any time there shall occur any significant new factor which is not reflected in this Base Prospectus or any supplements thereto and/or there shall be any material mistake or inaccuracy relating to the information included in this Base Prospectus or any supplements thereto, in each case, which is capable of affecting the assessment of the Notes, the Issuers and the Guarantor will prepare or procure the preparation of and make available a supplement to this Base Prospectus or, as the case may be, a new Base Prospectus for use in connection with any subsequent issue of Notes to be offered to the public or/and admitted to listing on the official list and to trading on the Luxembourg Regulated Market and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system. If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus inaccurate or misleading, a new Base Prospectus or supplement will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

The following description of key features of the Programme is qualified in its entirety by the remainder of this Base Prospectus. The Notes may be issued on such terms as may be agreed between the relevant Dealer(s) and the Issuer(s) and, unless otherwise specified in the applicable Final Terms in relation to any particular Tranche or Series, will be subject to the Terms and Conditions set out below. Each Series of Notes will be subject to compliance with all relevant laws, regulations and directives and subject to obtaining any appropriate official or other consents.

Issuers:	Fortis Bank and BP2F.
Guarantor:	Fortis Bank (in respect of Notes issued by BP2F).
Description:	Euro Medium Term Note Programme.
Guarantee:	Each of the Notes issued by BP2F have the benefit of a guarantee (the *"Guarantee"*) from the Guarantor.
Arranger:	Fortis Bank NV/SA.
Dealer:	Fortis Bank NV/SA and such other Dealers as may be appointed from time to time by the Issuer in respect of one or more Tranche of Notes or in respect of the whole programme.
Fiscal Agent and Principal Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch
Domiciliary Agent:	Fortis Bank NV/SA.
Alternative Principal Paying Agent:	Fortis Bank NV/SA.
Paying Agents:	Fortis Bank NV/SA
Luxembourg Listing Agent:	BNP Paribas Securities Services, Luxembourg Branch
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and completed by a set of Final Terms or (2) pursuant to a separate prospectus prepared in connection with a particular Tranche of Notes (a **"Drawdown Prospectus"**) as more fully described in the section entitled *"Final Terms and Drawdown Prospectuses"*.
Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Notes a copy of which will, in the case of Notes to be admitted to listing on the official list and to trading on the Luxembourg Regulated Market be delivered to the Luxembourg Stock Exchange and in the case of Notes to be admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, be delivered to such competent authority, stock exchange and/or quotation system. The terms and conditions applicable to each Tranche will be those set out herein under *"Terms and Conditions of the Notes"* as supplemented, modified or replaced by the relevant Final Terms. In case of offer to the public, the Final Terms will be filed with the relevant competent authority as soon as practicable and if possible in advance of the beginning of the offer.
Size:	This Base Prospectus, together with applicable Final Terms issued in respect of each Tranche of Notes, may only be used in connection with the offer, sale or/and admission to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system of Notes in an aggregate principal amount of not more than EUR 30,000,000,000 (or its equivalent in other currencies at the date of issue) outstanding at any time, subject to any duly authorised increase.
Currencies:	Notes may be issued in U.S. dollars, Canadian dollars, Australian dollars, New

	Zealand dollars, Sterling, Euro, Japanese yen, Swedish kronor, Danish kroner, Hungarian Forints, New Turkish Lira, Russian Rouble or in any other currencies if the relevant Issuer and the Dealers so agree, subject in each case to all necessary consents being obtained and, subject to compliance with all relevant laws, regulations and directives.
Maturities:	Any maturity or no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by that Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the **"FSMA"**) by that Issuer.
Issue Price:	Notes may be issued at par or at a discount or premium to par or with a zero coupon as specified in the relevant Final Terms. Partly-paid Notes may also be issued, the issue price of which will be payable in two or more installments. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer, where applicable, the Guarantor, and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Method of Issue:	The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Notes with respect to each Series will either mature on the same date or have no fixed maturity date, bear interest (if any) on the same basis and otherwise be subject to identical terms and may be issued in Tranches on a continuous basis with, save as mentioned below, no minimum issue size. Further Notes may be issued as part of an existing Series.
Fixed Interest Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms and at maturity (if any).
Floating Rate Notes:	Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Equity-Linked Notes:	Payments of principal or of interest in respect of Equity-Linked Notes may be calculated by reference to a share or a basket of shares or to such other factors or formulae referencing a share or a basket of shares as the Issuer and the relevant Dealer may agree. Equity-Linked Notes will not be linked to the equity of the Issuer nor will they be linked to the equity of companies controlled by Fortis Bank.
Credit-Linked Notes:	Notes with respect to which payment of principal and interest is linked to the credit of a specified Reference Entity or Reference Entities will be issued on such terms as may be agreed between the relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms.

If a Credit Event occurs with respect to one of the specified Reference Entities and the Conditions to Settlement are satisfied during the Notice Delivery Period, each Credit-Linked Note will be redeemed by (A) the payment of its pro rata share of the Auction Settlement Amount, if the applicable Settlement Method is Auction Settlement and no Fallback Settltment Event occurs (in which case, each Credit-Linked Note will be redeemed in accordance with the applicable Fallback Settlement Method), (B) the payment of its pro rata share of the Cash Settlement Amount, if the applicable Settlement Method is Cash Settlement, or (C) the Delivery of a pro rata share of the Deliverable Obligations, if the applicable Settlement Method is Physical Settlement or (D) as otherwise specified in the Final Terms.

Payments of interest in respect of Credit-Linked Notes may cease or be suspended upon the occurrence of certain events.

Index-Linked Notes: Payments of principal in respect of Index-Linked Redemption Amount Notes or of interest in respect of Index-Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the price of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Zero Coupon Notes: Zero Coupon Notes may be issued at their principal amount or at a discount to par and will not bear interest.

Variable Coupon Amount Notes: The Final Terms issued in respect of each issue of Variable Coupon Amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to indexes, shares, reference rates or formula or as otherwise provided in the relevant Final Terms.

Fixed Redemption Amount Notes: Fixed Redemption Amount Notes may be redeemable at par, at a premium to par or at a discount to par by specifying the redemption amount in the relevant Final Terms.

Variable Redemption Notes: The Final Terms in respect of each issue of Variable Redemption Amount Notes should specify the basis for calculating the redemption amounts payable, which may be calculated by reference to indexes, shares, reference rates or formula or as otherwise provided in the relevant Final Terms. The redemption at maturity can be done at par, at an amount that is above or below the nominal amount of the Notes, or by delivery of shares, bonds or loans.

Fund-Linked Notes: Payments in respect of principal (whether at maturity or otherwise) in respect of Fund-Linked Notes will be calculated by reference to units, interests or shares in a single fund or basket of funds on such terms as may be agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms.

Fund-Linked Notes may be subject to (a) substitution of a fund with a replacement fund (b) adjustment (including as to the valuation of the underlying fund interest units and the calculation and due date for payment of payments due under the Fund-Linked Notes) or (c) early redemption, if certain events occur with respect to a fund (such as, without limitation, insolvency, merger, certain litigation action, certain regulatory events, suspensions of subscriptions or redemptions, compulsory redemption of fund interest units, reporting disruption, dealing restrictions, certain changes in net asset value of a fund, certain modifications to documents or investment objectives/strategies, certain breaches or non-compliance with investment objectives/strategies and/or certain breaches by service providers and, in addition, in the case of hedge funds or funds of hedge

	funds, events relating to discrepancies or potential inaccuracy of the audited net asset value) or if certain valuation or settlement disruption events occur with respect to the fund interest units or the Issuer's or any of its affiliates' hedging arrangements. Fund-Linked Notes linked to exchange traded funds may in addition be subject to (a) substitution of a fund with a replacement fund (b) adjustment (including as to the valuation of the underlying fund interest units and the calculation and due date for payment of payments due under the Fund-Linked Notes) or (c) early redemption, if certain events occur with respect to a fund (such as events affecting the value of a fund interest unit (including fund interest divisions or consolidation), de-listing of a fund interest unit, insolvency, merger or nationalisation of the fund, or a tender offer or redenomination of a fund interest unit).
Other Notes:	Further terms applicable to Indexed Notes, High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Dual Currency Notes, Reverse Dual Currency Notes, Optional Dual Currency Notes, Partly Paid Notes, Credit-Linked Notes, Snowball Notes, Thunderball Notes, Swing Notes, Target Redemption Notes, Range Accrual Notes, Reverse Convertible Notes, Autocallable Notes, Fixed-to-Floating Rate Notes, Variable Rate Notes, Inverse Floating Rate Notes, Inflation Linked Notes, Equity-Linked Notes, Index-Linked Notes, Fund-Linked Notes or any variant, and any other type of Note which the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
Form of Notes:	Notes may be in bearer or (only in the case of Notes issued by BP2F) registered form, or, in bearer form exchangeable for notes in registered form. Each Tranche of bearer Notes which is not intended to be issued in new global note (**"NGN"**) form (a **"Classic Global Note"** or **"CGN"**) as specified in the relevant Final Terms will initially be represented by a temporary Global Note and will be deposited on or around the issue date with a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and (only in the case of Notes issued by BP2F) each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg and interests therein will be credited to the accounts of the relevant purchasers with Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Interests in each temporary Global Note will be exchanged for interests in a permanent Global Note not earlier than 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in each permanent Global Note may be exchanged for definitive Notes in bearer form or (only in the case of Notes issued by BP2F) registered form on 60 days' prior notice. The physical delivery of Definitive Notes will not be possible in Belgium. In the case of Notes issued by Fortis Bank and as provided in the relevant Final Terms, the Notes will be represented by a permanent Global Note which will be deposited on or about the issue date with the NBB as operator of the X/N System or its custodian and interests therein will be credited to the accounts of the relevant purchasers with the X/N System, Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Such Notes will not be issued in NGN form. Please refer to the section entitled *"Summary of Provisions relating to Global Notes"*.
Denominations:	Notes will be issued in any denominations agreed between the relevant Issuer and the relevant Dealer(s), subject to compliance with all applicable legal and/or securities settlement systems and/or regulatory and/or central bank requirements.

Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed at the option of the relevant Issuer or the Guarantor (as the case may be) (either in whole or in part) and/or the holders, and if so, the terms applicable to such redemption.
Early Redemption:	Except as provided in *"Optional Redemption"* above, Notes will be redeemable at the option of the Issuer only for tax reasons.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more installments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Listing and Admission to Trading:	Notes may be admitted to listing on the official list and to trading on the Luxembourg Regulated Market or the Euro MTF, and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system specified in the relevant Final Terms. Notes issued by Fortis Bank under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms "regulated market" and "offer to the public" are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency) or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuers or by any entity belonging to the Issuer's group. Subject thereto, Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.
Status of Notes and the Guarantee:	Notes issued by the Issuers may either be direct, unconditional, unsubordinated and unsecured obligations, or subordinated obligations of such Issuer. The Guarantees will either be direct, unconditional, unsubordinated and unsecured obligations of the Guarantor or subordinated obligations of the Guarantor.
Cross Default:	The Unsubordinated Notes will contain a cross default in respect of indebtedness for borrowed money of the Issuers and the Guarantor (in respect of Notes issued by BP2F) as more fully set out in *"Terms and Conditions of the Notes — 10. Events of Default"*.
Taxation:	All payments of principal and interest in respect of the Notes and the Guarantees by the Issuer or the Guarantor will be made without deduction for or on account of withholding taxes (if any), imposed in Luxembourg (in the case of BP2F) or Belgium (in the case of Fortis Bank), unless otherwise specified in the relevant Final Terms, subject to customary exceptions as specified in the Terms and Conditions.
Governing Law:	The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law except for (i) in the case of Notes issued by BP2F, Conditions 3(b) and 3(c) in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Luxembourg law and Conditions 3(e) and 3(f) in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Belgian law and (ii) in the case of Notes issued by Fortis Bank, Conditions 3(b), 3(c) and 10(a)(ii) in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Belgian law. Guarantees of Fortis Bank applicable in relation to any Senior Notes issued by BP2F are governed by, and shall be construed in accordance with English law

and Guarantees of Fortis Bank applicable in relation to any subordinated Notes issued by BP2F are governed by, and shall be construed in accordance with, the laws of the Kingdom of Belgium.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material under the laws of Belgium, France, Poland, Italy, Spain, The Netherlands, the United Kingdom, in the European Economic Area, Hong Kong, Japan, Singapore, Switzerland, the United States of America, and Luxembourg please refer to the section entitled *"Plan of Distribution"* of this Base Prospectus.

Such description is only a summary at the date of the Base Prospectus of certain restrictions that can vary from time to time. Prospective investors and purchasers of Notes must inform themselves about all the relevant, applicable and up-to-date restrictions prior to investing in the applicable Notes. Moreover the selling restrictions that are applicable to a Tranche of Notes can be modified in the relevant Final Terms if agreed by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer.

TERMS AND CONDITIONS OF THE NOTES

PART 1: MEDIUM TERM NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms in relation to any particular Tranche or Series, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series, details of the relevant Series being shown on the relevant Notes and in the relevant Final Terms:

Notes will be issued in series (each a **"Series"**) having one or more issue dates and the same maturity date (if any), bearing interest (if any) on the same basis and at the same rate and on terms otherwise identical. The length of interest periods, and the rate of interest in respect thereof, may differ from the length, and the rate of interest in respect of subsequent or, as the case may be, preceding interest periods. Each Series may be issued in tranches (each a "**Tranche**") on different issue dates. The specific terms of each Series will be set forth in a set of final terms ("**Final Terms**") based on the form included in the Base Prospectus dated 17 June 2011.

The Notes are issued pursuant to an Amended and Restated Agency Agreement dated 17 June 2011 (as amended or supplemented from time to time, the *"**Agency Agreement**"*) between BNP Paribas Fortis Funding (*"**BP2F**"*) and Fortis Bank NV/SA (*"**Fortis Bank**"* and together with BP2F, the *"**Issuers**"* and each, an *"**Issuer**"*), Fortis Bank (the *"**Guarantor**"*), BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the *"**Fiscal Agent**"*), registrar (the *"**Registrar**"*), principal paying agent (the *"**Principal Paying Agent**"*), transfer agent (the *"**Transfer Agent**"*) and calculation agent (the *"**Calculation Agent**"*), Fortis Bank NV/SA as alternative principal paying agent (the *"**Alternative Principal Paying Agent**"*) (together with the Principal Paying Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the *"**Paying Agents**"*) and as transfer agent (together with the Transfer Agent referred to above and any additional or other transfer agents in respect of the Notes from time to time appointed, the *"**Transfer Agents**"*) and Fortis Bank NV/SA as domiciliary agent (*"**Domiciliary Agent**"*). For the purposes of these Conditions, *"**Principal Paying Agent**"* means, in relation to any series of Notes, the Fiscal Agent or the Principal Paying Agent specified above or the Alternative Principal Paying Agent, as specified on the relevant Note. The initial Calculation Agent (if any) is specified on the relevant Note. In relation to the Notes issued by Fortis Bank which are to be cleared through the book-entry clearance and settlement system (the *"**X/N System**"*) "***X/N Notes***" operated by the National Bank of Belgium or any successor thereto (the *"**NBB**"*), if so specified in the relevant Final Terms, Fortis Bank has in addition to the Agency Agreement it entered into with, *inter alia*, Fortis Bank NV/SA as Domiciliary Agent, also entered into a clearing agreement with the NBB and the Domiciliary Agent on 3 November 2005 (as amended or supplemented from time to time, the "***Clearing Agreement***"). The Notes have the benefit of a deed of covenant dated 17 June 2011 (the *"**Deed of Covenant**"* as amended, supplemented and replaced) executed by the Issuers and the Guarantor. The Noteholders (as defined below), the holders of the coupons (the *"**Coupons**"*) appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the *"**Talons**"*) (the *"**Couponholders**"*) and the holders of the instalment receipts (the "***Receipts***") appertaining to the payment of principal by installments (the *"**Receiptholders**"*) are deemed to have notice of all of the provisions of the Agency Agreement and the Deed of Covenant applicable to them.

Copies of the Agency Agreement, the Clearing Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1. Form, Denomination and Title

Notes are issued in bearer form (*"**Bearer Notes**"*, which expression includes Notes which are specified to be Exchangeable Bearer Notes) in the Specified Denomination(s) (as specified in the relevant Final Terms), (in the case of Notes issued by BP2F only) in registered form (*"**Registered Notes**"*) in amounts of the Denomination or an integral multiple thereof (*"**Authorised Denominations**"*) or (in the case of Notes issued by BP2F only) in bearer form exchangeable for Registered Notes (*"**Exchangeable Bearer Notes**"*) and, in each case, serially numbered.

Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note the principal amount of which is redeemable in installments is issued with one or more Receipts attached.

Title to the Bearer Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the Register (except as otherwise required by law) which the relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement; and an up-to-date copy of the Register shall be kept at the registered office of the relevant Issuer. For the avoidance of doubt, title to Registered Notes issued by BP2F, shall as a matter of Luxembourg law, pass by registration in the duplicate Register maintained by it. As soon as any changes are made by the Registrar to the Register, the Registrar shall forthwith notify the relevant Issuer who shall ensure that its records in the duplicate Register are updated accordingly. For the purposes of Luxembourg law, if there is any inconsistency between the records set out in the Register maintained by the Registrar relating to Registered Notes issued by BP2F and the records set out in the duplicate Register maintained by BP2F, the records of the latter shall prevail.

Except as ordered by a court of competent jurisdiction or required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of any such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them on such Notes, the absence of any such meaning indicating that such term is not applicable to such Note.

No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

2. Exchanges of Bearer Notes and Transfers of Registered Notes

(a) Exchange of Bearer Notes

Subject as provided in Condition 2(e), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes of an Authorised Denomination at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; **provided, however, that** where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

A Registered Note may be transferred in whole or in part in an Authorised Denomination upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Note a new Registered Note in respect of the balance not transferred will be issued to the transferor.

(c) Delivery of new Registered Notes

Each new Registered Note to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within three business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or transfer shall have been delivered) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed at the risk of the holder entitled to the new Registered Note to such address as may be specified in such request for exchange or form of transfer.

(d) Exchange free of charge

Exchange of Notes on registration or transfer will be effected without charge by or on behalf of the relevant Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(e) Closed periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for any payment of principal on that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the relevant Issuer at its option pursuant to Condition 5(e) or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note which is simultaneously surrendered not later than the relevant Record Date.

3. Status and Guarantee

(a) Senior Notes

This Condition 3(a) is applicable in relation to Notes issued by the relevant Issuer on an unsubordinated basis (the *"Senior Notes"*).

The Senior Notes constitute direct, unconditional, unsubordinated and unsecured and general obligations of the relevant Issuer and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations, including guarantees and other obligations of a similar nature of such Issuer.

(b) Senior Subordinated Notes

This Condition 3(b) is applicable in relation to Notes issued by the relevant Issuer to which both the following conditions apply, namely (i) the Notes have a Maturity Date and (ii) the Notes are being issued on a subordinated basis (*"Senior Subordinated Notes"*).

The obligations of the relevant Issuer in respect of the Senior Subordinated Notes constitute senior subordinated obligations of such Issuer and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding senior subordinated obligations, including guarantees and other obligations of a similar nature of such Issuer. Accordingly, the liabilities of the relevant Issuer under or pursuant to the Senior Subordinated Notes shall not be required to be satisfied until satisfaction of all indebtedness of such Issuer to the depositors (in the case of Fortis Bank) and Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment. For the purposes of this Condition 3(b), *"Senior Creditors"* means all present and future unsubordinated creditors of the relevant Issuer.

(c) Junior Subordinated Notes

This Condition 3(c) is applicable in relation to Notes issued by the relevant Issuer to which both the following conditions apply, namely (i) the Notes do not have a Maturity Date and (ii) the Notes are issued on a subordinated basis (*"Junior Subordinated Notes"*).

The obligations of the relevant Issuer in respect of Junior Subordinated Notes constitute direct, unsecured and junior subordinated obligations of such Issuer, conditional as described below, and rank (i) *pari passu* without any preference among themselves and with any other Junior Subordinated Notes and, in the case of Fortis Bank, the Junior Subordinated Guarantees granted by the Guarantor under Condition 3(f), (ii) junior to all present and future unsecured obligations of such Issuer which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of such Issuer but not further or otherwise (*"Senior Subordinated Obligations"*), (iii) at least equally and rateably with all other present and future obligations of such Issuer which rank or are expressed to rank junior to the Senior Subordinated Obligations and (iv) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by such Issuer, subject to mandatory

provisions of Belgian law (in the case of Junior Subordinated Notes issued by Fortis Bank) or the laws of Luxembourg (in the case of Junior Subordinated Notes issued by BP2F).

Claims in respect of the Junior Subordinated Notes are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Senior Subordinated Notes and, in the case of Fortis Bank, holders of Senior Subordinated Notes issued by BP2F, in respect of a Senior Subordinated Guarantee granted by the Guarantor, and payments of principal and interest by the relevant Issuer in respect of Junior Subordinated Notes will be conditional upon such Issuer being solvent at the time of payment by that Issuer and no principal or interest shall be due and payable in respect of Junior Subordinated Notes except to the extent that (assuming a payment was then due by the relevant Issuer) such Issuer could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims (as defined below), and still be solvent immediately thereafter. For the purposes of these Conditions the relevant Issuer shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets exceed its Liabilities (in each case as defined below) (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the relevant Issuer by two directors of such Issuer or (if such Issuer is in winding-up, liquidation or bankruptcy) the liquidator of such Issuer, shall in the absence of proven error be treated and accepted by such Issuer, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of this Condition 3(c), *"Senior and Subordinated Creditors"* means, all creditors of the relevant Issuer (including any holders of Senior Subordinated Notes, in the case of Fortis Bank, holders of Notes issued by BP2F, in respect of a Senior Subordinated Guarantee granted by the Guarantor, other than creditors whose claims are in respect of: (i) any class of equity (including preference shares), subject to mandatory provisions of Belgian law (in the case of Junior Subordinated Notes issued by Fortis Bank) or the laws of Luxembourg (in the case of Notes issued by BP2F), or (ii) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations or (iii) any other obligations which rank or are expressed to rank either *pari passu* with or junior to the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto; *"Assets"* means the total assets of the relevant Issuer and *"Liabilities"* means the total liabilities of such Issuer, each as shown by the latest published audited balance sheet of such Issuer but adjusted for contingencies and for subsequent events, all valued in such manner as such directors or liquidator (as the case may be) may determine; and "Other *Pari Passu* Claims" means claims of creditors of the relevant Issuer which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto.

If the relevant Issuer would not otherwise be solvent for the purposes of these Conditions, the amount of the principal and sums which would otherwise be payable as interest on Junior Subordinated Notes will be available to meet the losses of such Issuer.

(d) Senior Guarantee

This Condition 3(d) is applicable in relation to any Senior Notes issued by BP2F.

The Guarantor has, by the guarantees endorsed on such Senior Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the *"Senior Guarantees"*), unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due from BP2F under such Senior Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 7 below), when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Senior Guarantees constitute direct, unconditional, irrevocable, unsubordinated and unsecured obligations of the Guarantor and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.

(e) Senior Subordinated Guarantee

This Condition 3(e) is applicable in relation to any Senior Subordinated Notes issued by BP2F.

The Guarantor has, by the guarantees endorsed on such Senior Subordinated Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the *"Senior Subordinated Guarantees"*), unconditionally and irrevocably guaranteed, on a subordinated basis, the due and punctual payment of all amounts due from BP2F under such Senior Subordinated Notes and the

Receipts and Coupons relating to them (including any additional amounts payable under Condition 7 below) when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

As more fully described in the Senior Subordinated Guarantees, the obligations of the Guarantor in respect of the Senior Subordinated Guarantees constitute senior subordinated obligations of the Guarantor. Accordingly, in the events specified in the Senior Subordinated Guarantees, the liabilities of the Guarantor under or pursuant to the Senior Subordinated Guarantees shall not be required to be satisfied until satisfaction of all indebtedness of the Guarantor to the depositors and Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment. As more fully described in the Guarantees, *"Senior Creditors"* means all present and future unsubordinated creditors of the Guarantor.

(f) Junior Subordinated Guarantee

This Condition 3(f) is applicable in relation to Junior Subordinated Notes issued by BP2F.

The Guarantor has, by guarantees endorsed on such Junior Subordinated Notes and, in the case of the Registered Notes, contained in the Deed of Covenant (the *"Junior Subordinated Guarantees"* and together with the Senior Guarantees and the Senior Subordinated Guarantees, the *"Guarantees"*), as primary obligor guaranteed, on a subordinated basis, the due and punctual payment of all amounts payable by BP2F on or in respect of such Junior Subordinated Notes and the Receipts and Coupons relating to them (including any additional amounts payable under Condition 7 below) when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Junior Subordinated Guarantees constitute direct, unsecured and junior subordinated obligations of the Guarantor, conditional as described below, and rank (i) *pari passu* without any preference among the other Junior Subordinated Guarantees and the Junior Subordinated Notes, (ii) junior to all present and future unsecured obligations of the Guarantor which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of the Guarantor but not further or otherwise (*"Senior Subordinated Obligations"*), (iii) at least equally and rateably with all other present and future obligations of the Guarantor which rank or are expressed to rank junior to the Senior Subordinated Obligations and (iv) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by the Guarantor, subject to mandatory provisions of Belgian law.

Claims in respect of the Junior Subordinated Guarantees are subordinated to the claims of Senior and Subordinated Creditors (as defined below), including holders of Senior Subordinated Notes issued by Fortis Bank and holders of Senior Subordinated Notes issued by BP2F in respect of a Senior Subordinated Guarantee granted by the Guarantor, and payments of principal and interest by BP2F in respect of such Junior Subordinated Notes will be conditional upon the Guarantor being solvent at the time of payment by BP2F and no principal or interest shall be due and payable in respect of such Junior Subordinated Notes except to the extent that (assuming a payment was then due by the Guarantor) the Guarantor could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims (as defined below), and still be solvent immediately thereafter. For the purposes of these Conditions the Guarantor shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets exceed its Liabilities (in each case as defined below) (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the Guarantor by two directors of the Guarantor or (if the Guarantor is in winding-up, liquidation or bankruptcy) the liquidator of the Guarantor, shall in the absence of proven error be treated and accepted by the relevant Issuer, the Guarantor, the Noteholders, and the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purposes of this Condition 3(f), *"Senior and Subordinated Creditors"* means all creditors of the Guarantor (including any holders of Senior Subordinated Notes issued by Fortis Bank and holders of Senior Subordinated Notes issued by BP2F in respect of the Senior Subordinated Guarantee granted by the Guarantor) other than creditors whose claims are in respect of: (i) any class of equity (including preference shares), subject to mandatory provisions of Belgian law, or (ii) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations of the Guarantor or (iii) any other obligations which rank or are expressed to rank either *pari passu* with or junior to the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto under the Junior Subordinated Guarantees; *"Assets"* means the total assets of the Guarantor and *"Liabilities"* means the total liabilities of the Guarantor, each as shown by the latest published audited balance sheet of the Guarantor but adjusted for contingencies and for subsequent events, all valued in such manner as such directors or liquidator (as the case may be) may determine; and *"Other Pari Passu Claims"* means claims of creditors of the Guarantor which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the holders of Junior Subordinated Notes and Coupons and Receipts (if any) appertaining thereto under the Junior Subordinated Guarantees.

If the Guarantor would not otherwise be solvent for the purposes of these Conditions, the amount of the principal and sums which would otherwise be payable as interest on Junior Subordinated Notes will be available to meet the losses of the Guarantor.

4. Interest

(a) Accrual of interest

Each Note bears interest on its outstanding principal amount or, in relation to any Credit-Linked Notes, its average daily outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate payable (subject, in the case of Junior Subordinated Notes, to Condition 3(c) and (f), if such Notes have the benefit of a Junior Subordinated Guarantee) in arrear on each Interest Payment Date provided (in the case of Junior Subordinated Notes) that such date is a Compulsory Interest Payment Date in which case interest shall be payable in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date.

In the case of Junior Subordinated Notes, on any Optional Interest Payment Date there may be paid (if the relevant Issuer or the Guarantor, as the case may be, so elects but subject to Condition 3(c) and (f), if such Notes have the benefit of a Junior Subordinated Guarantee) the interest accrued in the Interest Period ending on the day immediately preceding such date but the relevant Issuer or the Guarantor, as the case may be, shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the relevant Issuer or (where such Issuer is BP2F) the Guarantor for any purpose. Any interest not paid in respect of Junior Subordinated Notes on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute *"Arrears of Interest"* which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may at the option of the relevant Issuer or the Guarantor as the case may be, be paid in whole or in part at any time upon the expiration of not less than seven days notice to such effect given to the Noteholders in accordance with Condition 13, but all Arrears of Interest on all Notes outstanding shall (subject to Condition 3(c) and (f), if the Notes have the benefit of a Junior Subordinated Guarantee) become due in full on whichever is the earliest of (i) the Interest Payment Date immediately following the date upon which a dividend is next declared or paid on any class of share capital of BP2F or the Guarantor (as the case may be), (ii) the date set for any redemption pursuant to Condition 5(b) or (e) and (iii) the date that an order is made or an effective resolution is passed for the winding-up, liquidation or bankruptcy of BP2F or the Guarantor (as the case may be). If notice is given by the relevant Issuer or the Guarantor, as the case may be, of its intention to pay the whole or part of Arrears of Interest, the relevant Issuer shall be obliged (subject to Condition 3(c) or (f), as the case may be,) to do so upon the expiration of such notice. Where Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall bear interest at the rate applicable to the Notes.

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

With respect to any Credit-Linked Notes to which Part 5 is specified as applicable in the Final Terms, the provisions set out in Part 5 in relation to interest shall apply.

(b) Business Day Convention

If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the convention (the "**Business Day Convention**") specified is (i) the Floating Rate Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

(c) Interest Rate on Fixed Rate Notes

If the Interest Rate is specified as being Fixed Rate and unless otherwise specified in the relevant Final Terms and unless the Notes are Credit-Linked Notes, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) Interest Rate on Floating Rate Notes

If the Interest Rate is specified as being Floating Rate and Screen Rate Determination is specified in the relevant Final Terms, the Interest Rate will be determined by the Calculation Agent on the basis of the following provisions:

(i) At or about the Relevant Time on the Interest Determination Date in respect of each Interest Accrual Period, the Calculation Agent will:

(A) in the case of Notes which specify that the Primary Source for Interest Rate Quotations shall be derived from a specified page, section or other part of a particular information service (each as specified on such Notes), determine the Interest Rate for each Interest Accrual Period which shall, subject as provided below, be (x) the Relevant Rate so appearing in or on that page, section or other part of such information service as aforesaid (where such Relevant Rate is a composite quotation or interest rate per annum or is customarily supplied by one entity) or (y) the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates of the persons at the time whose Relevant Rates so appear in or on that page, section or other part of such information service as aforesaid, in any such case in respect of euro-currency deposits in the relevant currency for a period equal to the Specified Duration and as adjusted by the Spread or Spread Multiplier (if any) or by the Maximum or Minimum Interest Rate; and

(B) in the case of Notes which specify that the Primary Source for Interest Rate Quotations shall be the Reference Banks specified on such Notes and in the case of Notes falling within paragraph (i)(A) above but in respect of which no Relevant Rate appears at or about such Relevant Time or, as the case may be, which are to be determined by reference to quotations of persons appearing in or on the relevant page, section or other part of such information service as aforesaid but in respect of which less than two Relevant Rates appear at or about such Relevant Time, request the principal offices in the Relevant Financial Centre (or, in the case of Notes denominated in euro, the principal offices in the euro-zone selected by the Calculation Agent) of each of the Reference Banks specified on such Notes (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to paragraph (g) below) to provide the Calculation Agent with its Relevant Rate quoted to leading banks for euro-currency deposits in the relevant currency for a period equivalent to the Specified Duration. Where this paragraph (i)(B) shall apply, the Interest Rate for the relevant Interest Accrual Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of such Relevant Rates as adjusted by the Spread or Spread Multiplier (if any) or by the Maximum or Minimum Interest Rate, as calculated by the Calculation Agent.

(ii) If, at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to paragraph (i)(B) in respect of a Note, two or three only of such Reference Banks provide such relevant quotations, the Interest Rate for the relevant Interest Accrual Period shall, subject as provided below, be determined as aforesaid on the basis of the Relevant Rates quoted by such Reference Banks.

(iii) If, at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to paragraph (i)(B), only one or none of such Reference Banks provide such Relevant Rates, the Interest Rate for the relevant Interest Accrual period shall be, subject as provided below, whichever is the higher of:

(A) the Interest Rate in effect for the last preceding Interest Accrual Period to which paragraphs (i)(A) or (B) or (ii) above shall have applied (after readjustment for any difference between any Spread or Spread Multiplier applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period); and

(B) the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates in respect of the relevant currency which banks in the principal financial centre of the country of such currency (or, in the

case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent) selected by the Calculation Agent (after consultation with the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor) are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to the Specified Duration to leading banks carrying on business in that principal financial centre (or, in the case of Notes denominated in euro, in such financial centre or centres in the euro-zone selected by the Calculation Agent), as adjusted by the Spread or Spread Multiplier (if any) except that, if the banks so selected by the Calculation Agent are not quoting as aforesaid, the Interest Rate shall be the Interest Rate specified in paragraph (iii)(A) above.

(e) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate 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 sub-paragraph (d), *"ISDA Rate"* for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent under an interest rate swap transaction if the Fiscal Agent or, as the case may be, the Domiciliary Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the *"ISDA Definitions"*) 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 (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (*"LIBOR"*) for a currency, the first day of that Interest Period, (ii) if the applicable Floating Rate Option is based on the euro-zone inter-bank offered rate (*"EURIBOR"*), the first day of that Interest Period or (iii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (e), *"Floating Rate"*, *"Calculation Agent"*, *"Floating Rate Option"* and *"Designated Maturity"* have the meanings given to those terms in the ISDA Definitions.

(f) Minimum/Maximum Interest Rates, Spreads and Spread Multipliers

If any figure is expressed to be as adjusted by a Spread or Spread Multiplier, such adjustment shall be made by adding or subtracting any Spread specified in the relevant Final Terms or multiplying by any Spread Multiplier specified in such Final Terms, subject always to the next paragraph.

If a Maximum or Minimum Interest Rate is specified in such Final Terms, then the Interest Rate shall in no event exceed the maximum or be less than the minimum.

(g) Calculation

The amount of interest payable in respect of any Note for any period for which a Fixed Coupon Amount is not specified or not applicable shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount of such Note by the Day Count Fraction and rounding, if necessary, the resultant figure to the nearest minimum unit of the relevant currency (half of such unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "minimum unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(h) Determination and Publication of Interest Rate and Interest Amounts by the Calculation Agent

If a Calculation Agent is provided for in relation to any Note, it will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Interest Rate and calculate the amount of interest payable (the *"Interest Amounts"*) in respect of each Denomination of the Notes (in the case of Bearer Notes) and the minimum Denomination (in the case of Registered

Notes) for the relevant Interest Accrual Period and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the relevant Issuer, the Guarantor, the Registrar, the Domiciliary Agent (if applicable), each of the Paying Agents, any competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation and the Noteholders as soon as possible after their determination but in no event later than the fourth Relevant Business Day thereafter. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of the Interest Rate and the Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(i) Calculation Agent and Reference Banks

The relevant Issuer will procure that there shall at all times be four Reference Banks with offices in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in the financial centre or centres selected by the relevant Issuer) and a Calculation Agent if provision is made for them in the Conditions applicable to such Notes and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Calculation Agent will appoint another Reference Bank with an office in the Relevant Financial Centre (or, in the case of Notes denominated in euro, in the financial centre or centres in the euro-zone) to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts, the relevant Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(j) Definitions

As used in these Conditions:

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Final Terms.

"Business Day" means a Relevant Business Day or, if different for any purpose, as specified in the Final Terms.

"Calculation Amount" has the meaning given in the relevant Final Terms.

"Compulsory Interest Payment Date" means any Interest Payment Date if, in the calendar year immediately preceding such Interest Payment Date, any dividend has been declared or paid on any class of share capital of the Guarantor and if the Guarantor is solvent.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (the *"Calculation Period"*), such day count fraction as may be specified in these Conditions or the applicable Final Terms:

(i) if **"Actual/Actual (ICMA)"** is so specified:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actually number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if **"Actual/Actual"** is so specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if **"Actual/365 (Fixed)"** is so specified, the actual number of days in the Calculation Period divided by 365;

(iv) if **"Actual/360"** is so specified, the actual number of days in the Calculation Period divided by 360;

(v) if **"30/360"**, "**360/360"** or **"Bond Basis"** is so specified, the number of days in the Calculation 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_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

(vi) if **"30E/360"** or **"Eurobond Basis"** is so specified, the number of days in the Calculation 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_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_i will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30.

"euro" means the single currency of the participating member states of the European Union, as contemplated by the Treaty on European Union.

"euro-zone" means the region comprising the member states of the European Union which adopt or have adopted the euro as their lawful currency in accordance with the Treaty establishing the European Communities, as amended.

"Interest Accrual Period" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date or such other period as may be specified in the applicable Final Terms.

"Interest Commencement Date" means the date of issue of the relevant Notes (the *"Issue Date"*) or such other date as may be specified in the applicable Final Terms.

"Interest Determination Date" means, in respect of any Interest Accrual Period, that number of Relevant Business Days prior to the first day of such Interest Accrual Period or to the relevant Interest Payment Date as is set out in the relevant Final Terms.

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

"Interest Period" means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"Interest Rate" means the rate of interest payable from time to time in respect of the relevant Notes and which is either specified, or calculated in accordance with the provisions, of such Notes.

"Luxembourg Regulated Market" means the regulated market of the Luxembourg Stock Exchange.

"Optional Interest Payment Date" means any Interest Payment Date other than a Compulsory Interest Payment Date.

"Regular Period" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where

"Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Business Day" means:

(i) in the case of a specified currency other than euro, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are generally open for business in the principal financial centre for that currency and/or each of the Additional Business Centre(s) so specified; and/or

(ii) in the case of euro, a TARGET Settlement Day and a day on which banks and foreign exchange markets are generally open for business in each (if any) Additional Business Centre.

"Relevant Financial Centre(s)" means London or such other financial centre as may be specified on such Note.

"Relevant Rate" means:

(i) an offered rate in the case of a Note the Benchmark for which relates to an offered rate;

(ii) a bid rate in the case of a Note the Benchmark for which relates to a bid rate; and

(iii) the mean of an offered and bid rate in the case of a Note the Benchmark for which relates to the mean of an offered and bid rate.

"Relevant Time" means the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in that Relevant Financial Centre.

"Specified Duration" means the Interest Period unless otherwise specified in the relevant Final Terms.

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlements of payment in euro.

(k) Interest Rate on Zero Coupon Notes

Where a Note the Interest Rate of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Redemption Amount of such Note as determined in accordance with Condition 5(d)(iii). As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on such Note.

(l) Interest Rate on Variable Coupon Amount Notes

If the Variable Coupon Amount Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.

(m) Calculations by the Calculation Agent

The Calculation Agent, the Issuer and the Guarantor (if any) will have no responsibility for good faith errors or omissions in any calculations made or provided by the Calculations Agent. The calculations and determinations of the Calculation Agent will be made in accordance with the Conditions having regards, in each case, to the relevant criteria stipulated in the Conditions, in the relevant Final Terms and, where relevant, on the basis of information provided to or obtained by it as well as after such further enquiries as it deems necessary. Such calculations will, in the absence of manifest error, be final, conclusive and binding on the holders of Notes.

5. Redemption, Purchase and Options

(a) Final Redemption

Unless the relevant Note is a Junior Subordinated Note, or it is previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), such Note will be redeemed at its Redemption Amount (which, unless otherwise provided, is its principal amount) or, in relation to any Credit-Linked Note, its outstanding principal amount on the later of (i) the Maturity Date specified in the relevant Final Terms; (ii) to the extent that "Grace Period Extension" is applicable in relation to any Credit-Linked Notes, the Business Day following the latest Grace Period Extension Date, if applicable; (iii) the Business Day following the latest Repudiation/Moratorium Evaluation Date in relation to any Credit-Linked Notes, if applicable, (iv) the Business Day following the last Auction Settlement Date, Physical Settlement Date or Cash Settlement Date to occur, as the case may be, and (v) the Extended Maturity Date. If the relevant Note is a Junior Subordinated Note, the relevant Issuer shall not be at liberty to redeem such Note except pursuant to Condition 5(b) or (if applicable) Condition 5(e) and references to Maturity Date in these Conditions are not applicable.

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the relevant Issuer at its Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. Where the Notes are or relate to:

(i) A single index, Part 2 shall apply;

(ii) A basket of indices, Part 2B shall apply;

(iii) A single share, Part 3A shall apply;

(iv) A basket of shares, Part 3B shall apply;

(v) A single fund, Part 4A shall apply;

(vi) A basket of funds, Part 4B shall apply; and

(vii) Credit-Linked Notes, Part 5 shall apply.

(b) Redemption for taxation reasons

If, as a result of any amendment to or change in the laws or regulations of Luxembourg or Belgium or any political subdivision thereof or any authority or agency therein or thereof or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date, the Issuer (or, if the Guarantees were called, the Guarantor) would, on the occasion of the next payment date in respect of the Notes, be required to pay additional amounts as provided in Condition 7, the relevant Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time on giving not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 13 redeem all, but not some only, of the Notes at their Redemption Amount which, unless otherwise provided, is its principal amount or, in relation to a Credit-Linked Note, its outstanding principal amount together with interest accrued to the date fixed for redemption, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer (or (in the case of Notes issued by BP2F) the Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantees) then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the relevant Issuer shall deliver to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent a certificate signed by two persons each of whom is a Director of the relevant Issuer stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred.

(c) Purchases

The Issuers, the Guarantor and any of their subsidiaries may at any time purchase Notes (**provided that,** in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

(d) Early Redemption of Zero Coupon Notes

(i) The Redemption Amount payable in respect of any Note the Interest Rate of which is specified to be Zero Coupon upon redemption of such Note pursuant to Condition 5(b) or, if applicable, Condition 5(e) or (f) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of sub-paragraph (iii) below, the *"Amortised Face Amount"* of any such Note shall be the sum of (A) the Reference Price shown on such Note and (B) the aggregate amortisation of the difference between the Reference Price and the principal amount of such Note from its date of issue to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown on such Note compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction (as set out in the Final Terms in respect of such Note).

(iii) If the Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or, if applicable, Condition 5(e) or (f), or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the principal amount of such Note together with any interest which may accrue in accordance with Condition 4(k).

(e) Redemption at the Option of the relevant Issuer and Exercise of such Issuer's Options

If so provided in the relevant Note or in any event if such Notes do not have a Maturity Date, the relevant Issuer shall, or (in the case of Notes issued by BP2F) the Guarantor on giving irrevocable notice to the Noteholders falling within such Issuer's Option Period (as specified in the relevant Final Terms) redeem, or exercise any such Issuer's option in relation to, all or (in the case only of Notes which have a Maturity Date), if so provided, some of such Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount (as specified in the relevant Final Terms) or, in relation to any Credit-Linked Note, at its outstanding principal amount together with interest accrued (if any) to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the relevant Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of such option the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been selected by drawing lots in such place as the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and competent authority, stock exchange or quotation system's requirements and, if applicable, the rules and procedures of Euroclear and Clearstream Luxembourg (to be reflected in the records of Euroclear and Clearstream Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

(f) Redemption at the Option of Noteholders and Exercise of Noteholders' Options

If so provided on the relevant Note, the relevant Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Redemption Amount (as specified in the relevant Final Terms) or, in relation to any Credit-Linked Note its outstanding principal amount, together with interest accrued (if any) to the date fixed for redemption.

To exercise such option or any other Noteholders' option which may be set out on the relevant Note the holder must deposit such Note with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice (*"Exercise Notice"*) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent within the Noteholders' Option Period (as specified in the relevant Final Terms). No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

(g) Redemption for illegality

Unless otherwise specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on such date as the Issuer may notify to the Noteholders in accordance with Condition 13 if the Issuer determines that the performance by the Issuer of its obligations under the Notes has become unlawful under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.

Notes redeemed pursuant to this Condition 5(g) will be redeemed at the Redemption Amount, or, in relation to any Credit-Linked Note, at its outstanding principal amount calculated in accordance with these Conditions with interest accrued to (but excluding) the date of redemption.

(h) Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified on the relevant Note) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(i) Cancellation

All Notes redeemed by the relevant Issuer and all Notes purchased (otherwise than in the ordinary course of business of dealing in securities or as a nominee) by or on behalf of such Issuer (in the case of Notes issued by BP2F), the Guarantor or any of their subsidiaries will be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith) and may not be reissued or resold and the obligations of such Issuer and/or (in the case of Notes issued by BP2F) the Guarantor in respect of any such Notes shall be discharged, and where such Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market, the Issuer will forthwith inform the Luxembourg Stock Exchange of any such cancellation.

(j) Consents

Any redemption by the relevant Issuer of such Junior Subordinated Notes pursuant to Condition 5(b) or (if applicable) Condition 5(e) and any purchase and cancellation of such Junior Subordinated Notes pursuant to Condition 5(c) and (h) will be subject to the prior consent of the National Bank of Belgium.

(k) Early redemption in whole or in part upon the occurrence of a Credit Event

If the Final Terms specify the Notes to be Credit-Linked Notes then the Final Terms shall include a condition to permit the early redemption in whole or in part of the Notes upon the designation of an Event Determination Date (as defined in Part 5).

6. Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below and (in the case of Junior Subordinated Notes) subject to Condition 3(c) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holders, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; **Provided that** (i) in the case of Sterling, the cheque shall be drawn on a town clearing branch of a bank in the City of London, (ii) in the case of Rouble, the transfer may be to a Rouble account or on an account which accepts Rouble payments (iii) in the case of euro, the transfer may be to a euro account or on an account which accepts euro payments and (iv) in the case of Japanese yen, the transfer will be to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan).

(b) Registered Notes

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be made, subject (in the case of Junior Subordinated Notes) to Condition 3(d) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, against presentation and surrender of the relevant Notes at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (a) above.

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid, subject (in the case of Junior Subordinated Notes) to Condition 3(d) or (f), if such Notes have the benefit of a Junior Subordinated Guarantee, to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank (being a town clearing branch of a bank in the case of Sterling) in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Registrar maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency or, in the case of euro, to a euro account or an account to which euro can be paid.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the relevant Issuer shall 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 of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the relevant Issuer, adverse tax consequence to such Issuer.

(d) Payments subject to law

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuers and the Guarantor and their respective specified offices are listed below. The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuers and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuers and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Issuers will at all times maintain (i) a Fiscal Agent, (ii) a Principal Paying Agent, (iii) a Registrar in relation to Registered Notes, (iv) at least a Transfer Agent in relation to Registered Notes having a specified office in a European city outside Belgium (and, so long as the Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, a Transfer Agent with a registered office in Luxembourg and/or such other place as may be required by the rules of such other competent authority, stock exchange and/or quotation system), (v) a Calculation Agent where the Conditions so require one, (vi) at least a Paying Agent having a specified office in a European city outside Belgium (and, so long as the Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market a Paying Agent having a specified office in Luxembourg and/or such other place as may be required by the rules and regulations of such other competent authority, stock exchange and/or quotation system), and (vii) the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor will ensure that they maintain a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC implementing the conclusions of the ECOFIN Council Meeting of 26 – 27 November 2000 or any law implementing or complying with, or introduced to conform to, such Directive.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

For as long as any Notes issued by Fortis Bank and cleared through the X/N System, Fortis Bank NV/SA, in its capacity as Domiciliary Agent, has agreed in the Agency Agreement to perform all its duties and obligations under the Clearing Agreement and has undertaken (i) to remain a participant in such X/N System as long as possible and (ii) to appoint an appropriate substitute agent which will assume all such duties and obligations should Fortis Bank NV/SA no longer be able to do so.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

(f) Unmatured Coupons and Receipts and unexchanged Talons

(i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of that amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) If the relevant Notes so provide, upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Note which is redeemable in installments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the relevant Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note, if such Note is not intended to be issued in NGN form. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(g) Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, *"business day"* means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation and in such jurisdictions as shall be specified as *"Business Day Jurisdictions"* on the Note and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) a TARGET Settlement Day.

(h) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent in exchange for a further Coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 8).

7. Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the relevant Issuer or (in the case of Notes issued by BP2F) (if the Guarantees were called) the Guarantor will be made without deduction or withholding for, or on account of, any present or future taxes or duties of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of (in the case of BP2F) Luxembourg or any political subdivision thereof or any authority or agency therein or thereof having the power to tax or, where applicable, (in the case of the Guarantor) Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such deduction or withholding is required by law. In such event, and unless otherwise indicated in the relevant Final Terms, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders, Receiptholders or, as the case may be, the Couponholders after such deduction or withholding shall equal the respective amounts which would have been receivable under these Conditions in respect of the Notes, Receipts or, as the case may be, Coupons by the Noteholders, Receiptholders and (if applicable) the Couponholders in the absence of such deduction or withholding, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) issued by Fortis Bank, where such Note, Receipt or Coupon is not cleared through the X/N System; or

(ii) issued by Fortis Bank where such Note, Receipt or Coupon is cleared through the X/N System, and where such deduction or withholding is imposed or levied because the holder (or the beneficial owner) is not an Eligible Investor (unless that person was an Eligible Investor at the time of its acquisition of the relevant Note, Receipt or Coupon and has since ceased from being an Eligible Investor by reason of a change in the Belgian tax laws or regulations or in the interpretation or application thereof), or is an Eligible Investor but is not holding the relevant Note, Receipt or Coupon in an exempt securities account with a qualifying clearing system in accordance with the Belgian law of 6 August 1993 relating to transactions in certain securities; or

(iii) presented for payment in Belgium; or

(iv) to, or to a third party on behalf of, a holder who is able to avoid such withholding or deduction by placing such Note, Receipt or Coupon in safe custody with a Belgian bank and by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(v) to, or to a third party on behalf of, a holder where such holder is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of its having some connection with Belgium other than by reason only of the holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or

(vi) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or

(vii) where such withholding or deduction is imposed on a payment to an individual or a residual entity within the meaning of the European Council Directive 2003/48/EC and is required to be made pursuant to (i) European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 – 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, (ii) the law of 23 December 2005 (as amended) introducing a 10 per cent. withholding tax as regards Luxembourg resident individuals and (iii) the agreements on savings income concluded by the State of Luxembourg with several dependant or associated territories of the EU (including Jersey, Guernsey, the Isle of Man, the British Virgin Islands, Montserrat, the Dutch Antilles and Aruba); or

(viii) 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.

As used in these Conditions, *"Relevant Date"* in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation, *"Eligible Investor"* means from time to time a person who is allowed to hold securities through a so called "X account" (being an account exempted from withholding tax) in the X/N System in accordance with Article 4 of the Belgian Royal Decree of 26 May 1994, as amended or replaced from time to time and *"X/N System"* means the book-entry clearance and settlement system operated by the National Bank of Belgium. References in these Conditions to (i) *"principal"* shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) *"interest"* shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) *"principal"* and/or *"interest"* shall be deemed to include any additional amounts which may be payable under this Condition.

8. Prescription

Claims against the relevant Issuer and the Guarantor for payment in respect of the Notes, Guarantees, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

9. Events of Default

(a) Notes other than Senior Subordinated Notes and Junior Subordinated Notes

This Condition 9(a) is applicable in relation to all Senior Notes.

If any of the following events (*"Events of Default"*) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount which, unless otherwise provided, is the principal amount of such Note together with accrued interest to the date of payment shall become immediately due and payable unless prior to the date that such written notice is received by the Fiscal Agent or, as the case may be, the Domiciliary Agent, the relevant Issuer or, where applicable, the Guarantor shall have cured or the relevant Issuer or, where applicable, the Guarantor shall otherwise have made good all Events of Default in respect of the Notes:

(i) default in the payment of any principal or interest due in respect of the Notes or any of them and such default continuing for a period of 30 days; or

(ii) default by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor in the due performance or observance of any other obligation, condition or other provision under or in relation to the Notes or the Guarantees, as the case may be, if such default is not cured within 45 days after receipt by the Fiscal Agent or, as the case may be, the Domiciliary Agent of written notice thereof given by any Noteholder requiring the same to be remedied; or

(iii) default by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor in the payment of the principal of, or premium or prepayment charge (if any) or interest on, any other loan indebtedness of or assumed or guaranteed by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, originally applicable thereto and the time for payment of such interest or principal has not been effectively extended, or in the event that any loan indebtedness of or assumed by the relevant Issuer or (in the Notes issued by BP2F) the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of an event of default thereunder; or

(iv) the relevant Issuer is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes or (in the case of Notes issued by BP2F) the Guarantor is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes, except as a result of a Permitted Reorganisation, or the relevant Issuer ceases to be

subsidiary of the Guarantor (save in the case of a substitution pursuant to Condition 10 (c) where the substitute is the Guarantor or the Issuer is Fortis Bank); or

(v) the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor becomes insolvent, is unable to pay its debts generally (or in the case of the Guarantor is in *staking van betaling/cessation de paiements* (suspension of payments)) as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or ceases or threatens to cease to carry on its business, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor, or if the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor commences a voluntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, consents to the entry of an order for relief in any involuntary case or other proceeding under any such law as to the appointment of or the taking possession by a trustee, receiver, liquidator, custodian, assignee, sequestrator or similar official of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor or of any substantial part of its property or as the winding up or liquidation of the relevant Issuer, or (in the case of Notes issued by BP2F) if the Guarantor applies for a *liquidation/vereffening* (liquidation) or *faillite/faillissement* (bankruptcy) or any procedures having similar or equivalent effect shall have been initiated in respect of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor; or

(vi) a court having jurisdiction in the premises enters a decree or order for relief in respect of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor in an involuntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a trustee, receiver, liquidator, custodian, assignee, sequestrator or other similar official of the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed in effect for a period of 30 consecutive days; or

(vii) it becomes unlawful for the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor to perform any of their respective obligations under the Notes or the Guarantees, or any of their obligations ceases to be valid, binding or enforceable; or

(viii) the Guarantees are not or are claimed by the Guarantor not to be in full force and effect in accordance with their terms.

In this Condition:

"Permitted Reorganisation" means an amalgamation, merger, consolidation, reorganisation or other similar arrangement entered into by the Guarantor under which:

(i) the whole of the business, undertaking and assets of the Guarantor are transferred to and all the liabilities and obligations of the Guarantor are assumed by the new or surviving entity either:

(A) automatically by operation of applicable law; or

(B) the new or surviving entity assumes all the obligations of the Guarantor under the terms of the Agency Agreement, the Notes and the Guarantees as fully as if it had been named in the Agency Agreement, the Notes and the Guarantees in place of the Guarantor; and, in either case,

(ii) the new or surviving entity will immediately after such amalgamation, merger, consolidation, reorganisation or other similar arrangement be subject to a European Union regulatory authority.

Any such notice by a Noteholder to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent shall specify the serial number(s) of the Note(s) concerned.

(b) Senior Subordinated Notes

This Condition 11(b) is applicable in relation to Senior Subordinated Notes.

Any holder of a Senior Subordinated Note may, by notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the relevant Issuer, declare his Note to be due and payable, and such Note shall accordingly become immediately due and payable at its principal amount together with accrued interest to the date of repayment if an order is made or an effective

resolution is passed for the bankruptcy (*faillissement/faillite*), or liquidation (*vereffening/liquidation*) of the relevant Issuer or the Guarantor, as the case may be.

(c) Junior Subordinated Notes

This Condition 11(c) is applicable in relation to Junior Subordinated Notes.

(i) Any holder of a Junior Subordinated Note may, by notice to the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the relevant Issuer, declare his Note to be due and payable, and such Note shall accordingly (subject to the provisions of Condition 3(c) or Condition 3(f), as the case may be,) become immediately due and payable at its principal amount together with accrued interest to the date of repayment and any Arrears of Interest if an order is made or an effective resolution is passed for the bankruptcy (*faillissement/faillite*) or liquidation (*vereffening/liquidation*) of the relevant Issuer or the Guarantor, as the case may be.

(ii) A Noteholder may at its discretion institute such proceedings against the relevant Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the relevant Issuer under the Notes or the Coupons or the Receipts (if any) **provided that** such Issuer shall not by virtue of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(iii) No remedy against the relevant Issuer, other than the institution of the proceedings referred to in sub-paragraph (ii) above or the proving or claiming in any winding-up of such Issuer, shall be available to the Noteholders or the Couponholders or the Receiptholders (if any) whether for the recovery of amounts owing in respect of the Notes or the Coupons or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes or the Coupons or the Receipts (if any).

(iv) In the event of an order being made or an effective resolution being passed for the winding-up, liquidation or bankruptcy of BP2F; then immediately thereupon and without further formality the Guarantor shall become the principal debtor under the Notes and the Coupons and the Receipts (if any) in place of BP2F and the Guarantees shall cease to be of any effect and the Noteholders and the Couponholders and the Receiptholders (if any) shall cease to have any rights or claims whatsoever against BP2F; **provided that**:

(A) the obligations of the Guarantor as principal debtor as aforesaid shall be subordinated to the same extent as its obligations under the Guarantees; and

(B) no Noteholder or Couponholder or Receiptholder shall, as a result of any change in principal debtor as aforesaid, be entitled to claim from BP2F or the Guarantor any indemnification or payment in respect of any tax consequence of such change upon individual Noteholders or Couponholders or Receiptholders except to the extent provided for by Condition 7 (save that Condition 7(i) does not apply in these circumstances).

10. Meeting of Noteholders, Modifications and Substitution

(a) Meetings of Noteholders

(i) In the case of Notes issued by BP2F, the Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions in so far as the same may apply to such Notes). 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 subject to applicable laws, except that any Extraordinary Resolution proposed, *inter alia*, (1) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (2) to reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (3) to reduce 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 the respect thereof, (4) if there is shown on the face of the Notes a Minimum Interest Rate and/or a Maximum Interest Rate, to reduce such Minimum Interest Rate and or a Maximum Interest Rate, (5) to change any method of calculating the Redemption Amount or, in the case of Zero Coupon Notes, to change the method of calculating the Amortised Face Amount, (6) to change the currency or currencies of payment of the Notes, (7) to cancel or change the provisions of any Guarantee, (8) to take any steps which the relevant Note specifies may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (9) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at

which a special quorum (provided for in the Agency Agreement) is present. For the avoidance of doubt, the provisions of Articles 86 to 94 – 8 of the Luxembourg law on commercial companies dated 10 August 1915, as amended, are hereby excluded.

(ii) In the case of Notes issued by Fortis Bank, all meetings of Noteholders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to bondholders meetings. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the Brussels court of appeal, the meeting of Noteholders shall be entitled to modify or waive any provision of these Conditions. Resolutions duly passed in accordance with these provisions of the Belgian Company Code at any meeting of Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution. A summary of such resolutions, setting out the decisions adopted at the meeting of Noteholders, shall be published in accordance with Condition 13 (*Notices*), so long as the Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market and its rules so require. All convening notices for meetings of Noteholders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting, in the Belgian Official Gazette (*"Moniteur Belge/Belgisch Staatsblad"*) and in a newspaper of national distribution in Belgium. Convening notices will also be published once, not less than eight days prior to the meeting, in accordance with Condition 13 (*Notices*).

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series. Without limitation to the generality of these Conditions, Notes may be issued on a partly-paid, instalment or other basis, where the interest rate, aggregate principal amount and/or other terms may be varied from time to time (as specified in the applicable Final Terms relating thereto).

(b) Modification of Agency Agreement

The Issuers and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) Substitution

An Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons any company (the *"Substitute"*) which is the Guarantor (save where such Issuer is Fortis Bank), or a subsidiary of the Guarantor, **provided that** no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the *"Deed Poll"*), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons and Talons shall be unconditionally and irrevocably guaranteed by the Guarantor by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons and Talons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll (where the Substitute is not the Guarantor), of the Guarantor have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (vi) the relevant Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies or, pending execution, the agreed text of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified offices of each of the Paying Agents. References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 9 shall be deemed to include that guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. The Issuer and the Substitute shall also notify the Luxembourg

Stock Exchange in respect of such a substitution, procure that a supplement to the Base Prospectus be prepared and comply with the relevant rules and regulations of the Luxembourg Stock Exchange and/or such other competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation.

11. Replacement of Notes, Receipts, Coupons and Talons

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and the regulations of the relevant competent authority, stock exchange and/or quotation system, at the specified office of such Paying Agent as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to the Noteholders in accordance with Condition 13 (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Registered Notes), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the relevant Issuer on demand the amount payable by such Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as such Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

13. Notices

(a) Notes in global form

So long as any Tranche of Notes is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if given by delivery of the relevant notice to the clearing system for communication by it to Noteholders in respect of the relevant Notes. If such delivery is not practicable, notices will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe.

Notices to Holders of Notes of any Tranche may, at the sole discretion of the Issuer and solely for informational purposes, also be published on the website of the Issuer and/or of any other entity specified in the relevant Final Terms for this purpose.

(b) Notes admitted to listing, trading and/or quotation

So long as any Tranche of Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if:

(i) in the case a Tranche of Notes admitted to listing on the official list and to trading on the Luxembourg Regulated Market (so long as such Notes are admitted to listing on the official list and to trading on the Luxembourg Regulated Market and any applicable laws, rules or regulations so require), published in a leading newspaper having general circulation in Luxembourg (which is expected to be *the Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu), and/or in such other manner as may be required by applicable laws, rules and regulations from time to time; and/or

(ii) in the case of a Tranche of Notes admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, if published in such manner as may be required by applicable laws, rules and regulations from time to time;

(c) In any other cases

Where both Condition 13(a) and Condition 13(b) are inapplicable, notices will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the Financial Times), or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe.

(d) General

For the avoidance of doubt, where both Condition 13(a) and Condition 13(b) apply, notices must be given in the manner specified in Condition 13(a) and in the manner specified in Condition 13(b) in order to be deemed to have been validly given.

Any notice given in accordance with Condition 13(a), Condition 13(b) or Condition 13(c) above will be deemed to have been validly given on the date and time of first such notification (or, if required to be notified in more than one manner, on the first date on which notification shall have been made in all required manners).

Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice validly given to Holders of Notes in accordance with this Condition.

14. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable under these Conditions or such order or judgment into another currency (the "second currency") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

15. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

16. Governing Law and Jurisdiction

(a) Governing Law

The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law except for (i) in the case of Notes issued by BP2F, Conditions 3(b) and 3(c) in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Luxembourg law and Conditions 3(e) and 3(f) in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Belgian law and (ii) in the case of Notes issued by Fortis Bank, Conditions 3(b), 3(c) and 10(a)(ii) in addition to all non-contractual obligations arising out of or in connection therewith which shall be governed by Belgian law.

Guarantees to which Condition 3(d) applies and all non-contractual obligations arising out of or in connection with them are governed by English law.

Guarantees to which Condition 3(e) applies and all non-contractual obligations arising out of or in connection with them and Guarantees to which Condition 3(f) applies and all non-contractual obligations arising out of or in connection with them are governed by the laws of the Kingdom of Belgium.

(b) Jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with any Notes, Receipts, Coupons, Talons or Guarantees (including a dispute relating to the existence, validity or termination of any of the foregoing or any non-contractual obligation arising out of or in connection with them) or the consequences of their nullity and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or Guarantees (**"Proceedings"**) may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process

Each of the Issuers and the Guarantor irrevocably appoints BNP Paribas London Branch (10 Harewood Avenue, London NW1 6AA, United Kingdom) to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the relevant Issuer or (in the case of Notes issued by BP2F) the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuers and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders (in the case of Notes issued by BP2F) of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

PART 2: INDEX LINKED NOTES

PART 2A: SINGLE INDEX

The terms and conditions applicable to Notes linked to a single index shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the **"Principal Conditions"**) and the additional Terms and Conditions set out below (the **"Single Index Linked Conditions"**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Principal Conditions and the Single Index Linked Conditions, the Single Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Single Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, for the purposes of Condition 5(a) the Final Redemption Amount payable per Note on the Maturity Date (subject to the provisions of Condition 5(l) and 5(m)) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means any event(s) specified as such in the Final Terms.

"Averaging Dates" means, in respect of each Valuation Date, each of the dates specified as such in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Barrier Level" means the level of the Index specified as such or otherwise determined as provided in the applicable Final Terms, subject to adjustment in accordance with Condition 5(m) as set out below.

"Disrupted Day" means any Scheduled Trading Day on which (i) if "Multi-Exchange Index" is specified in the applicable Final Terms, the Index Sponsor fails to publish the level of the Index or, if "Multi-Exchange Index" is not so specified, the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) or Related Exchange(s), if any, prior to its/their Scheduled Closing Time unless such earlier closing time is announced by the relevant Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

"Exchange(s)" means the exchange specified in the applicable Final Terms or, if "Multi-Exchange Index" is specified in the applicable Final Terms, in respect of any securities comprised in the Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the Index has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding such relevant Exchange or any such relevant Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, if "Multi-Exchange Index" is specified in the Final Terms, any security comprised in the Index on any relevant Exchange or, if "Multi-Exchange Index" is not so specified, securities that comprise 20 per cent or more of the level of the Index on the Exchange or

(ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

"Expiration Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Final Index Level" means:

(i) in respect of any Valuation Date or Observation Date, the Index Level on such Valuation Date or Observation Date; and

(ii) in respect of the Averaging Dates relating to an Observation Period or a Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded to the nearest unit of the Specified Currency in which the Index is valued (with halves being rounded up)) of the Index Levels on each of such Averaging Dates.

"Index" means the index specified in the Final Terms, or any Successor Index.

"Index Cancellation" means the Index Sponsor cancels the Index and no Successor Index exists.

"Index Disruption" means the Index Sponsor fails to calculate and announce the Index Level.

"Index Level" means, on any relevant Scheduled Trading Day, the official closing level of the Index, as calculated and published by the Index Sponsor.

"Index Modification" means the Index Sponsor announces that it will make (in the opinion of the relevant Issuer) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalization and other routine events).

"Index Sponsor" means either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person.

"Initial Index Level" means the level of the Index specified as such or otherwise determined as provided in the applicable Final Terms or, if no such level is so specified or otherwise so determined, the level of the Index as determined by the Calculation Agent as of the Valuation Time on the Strike Date, subject to adjustment in accordance with Condition 5(m) as set out below.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, **provided that**, if "Multi-Exchange Index" is specified in the Final Terms, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the relevant Issuer, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

"Observation Date" means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Observation Period" has the meaning ascribed to it in the Final Terms.

"Related Exchange" means each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index, or such other options or futures exchange(s) as the relevant Issuer may select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Scheduled Closing Time" means in respect of the relevant Exchange(s) or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the relevant Exchange(s) or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means (i) if "Multi-Exchange Index" is specified in the Final Terms, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if "Multi-Exchange Index" is not so specified in the Final Terms, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

"Strike Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Strike Price" means the value (if any) specified as such in the Final Terms.

"Successor Index" means where the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) 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 the Index, such successor index or index calculated and announced by the successor sponsor.

"Trading Disruption" means any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or the relevant Related Exchange or otherwise (i) if "Multi-Exchange Index" is specified in the Final Terms, on any relevant Exchange(s) relating to any security comprised in the Index or, if "applicable Multi-Exchange Index" is not so specified in the Final Terms, on the Exchange relating to securities that comprise 20 per cent or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on a Related Exchange.

"Valuation Date" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of Condition 5(l) as set out below.

"Valuation Time" means:

(a) except where "Multi-Exchange Index is specified in the applicable Final Terms, the time specified as such in the applicable Final Terms or, if no time is so specified, the Scheduled Closing Time on the relevant Exchange on the relevant Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 5(l) (as set out below)) the Valuation Time shall be such actual closing time; or

(b) if "Multi-Exchange Index" is specified in the applicable Final Terms, the time specified as such in the applicable Final Terms or if no time is so specified:

(i) for the purposes of determining whether a Market Disruption Event has occurred;

(x) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange; and

(y) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange; and

(ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

3. Disrupted Days

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5(l) as follows:

"(l) Disrupted Days

If the Calculation Agent determines that an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, as the case may be, is a Disrupted Day, then such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the relevant Issuer of the occurrence of a Disrupted Day, would have been such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, is a Disrupted Day. In that case:

(a) that eighth Scheduled Trading Day shall be deemed to be such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, in respect of the Index, notwithstanding the fact that such day is a Disrupted Day; and

(b) the Calculation Agent shall determine the Index Level on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day). Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on an Averaging Date, the Expiration Date, an Observation Date or the Strike Date or a Valuation Date, payment of the Final Redemption Amount any/or any amount of interest (if the payment of interest is index-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the Final Terms) following the postponed Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 5(l).

The relevant Issuer shall give notice to the holders of the Notes, in accordance with Condition 13, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes."

4. Adjustments, Consequences of Certain Events and Currency

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5(m) as follows:

"(m) Adjustments and Currency

(i) Index Modification, Index Cancellation and/or Index Disruption

If the Calculation Agent determines that an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Final Redemption Amount, the Redemption Amount and/or any other relevant term of the Notes, the relevant issuer may make any adjustment or adjustments to the Final Redemption Amount, the Redemption Amount and/or any other relevant term of the Notes as it deems necessary. The relevant issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13.

(ii) Price Correction

In the event that any price or level published on the relevant Exchange(s) or by the Index Sponsor and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange(s) or Index Sponsor(s) within three Business Days (or such other period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the relevant Issuer will adjust the terms and conditions of the Notes to account for such correction.

(iii) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the relevant Issuer), the relevant Issuer may make such adjustment or adjustments to the Final Redemption Amount, Redemption Amount, Strike Price and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13.

(iv) Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the relevant Issuer may redeem each Note at its Redemption Amount on such date as the Issuer may notify, to the Noteholders in accordance with Condition 14 (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13."

5. Index Disclaimer

The Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and the Index Sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the relevant Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the relevant Issuer, the Guarantor, nor the Calculation Agent has any affiliation with or control over the Index or the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the relevant Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the relevant Issuer, the Guarantor or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

6. Hedging Disruption Events

6.1 A **"Hedging Disruption Event"** shall occur if the Calculation Agent reasonably determines in good faith that:

(a) the Issuer or any affiliate (a **"Hedging Party"**) is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a **"Relevant Hedging Transaction"**) it deems necessary or appropriate to hedge its exposure to price variations of the Index inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Index under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or

(b) the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

(c) any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party.

6.2 A Hedging Disruption Event may include, but is not limited to, the following:

(a) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or

(b) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

6.3 In the event of a Hedging Disruption Event:

(a) the Issuer may elect to redeem each Note at its Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Condition 13; and

(b) subject as provided in the applicable Final Terms, the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Redemption Amount and/or any other term of the Notes as it considers appropriate in order to maintain the theoretical value of the Notes after adjusting for the relevant Hedging Disruption Event.

6.4 The Calculation Agent shall as soon as reasonably practicable give instructions to the Issuer to notify the Noteholders in accordance with Condition 13, if it determines that a Hedging Disruption Event has occurred and such notice shall specify the consequence of such Hedging Disruption Event as determined pursuant to this paragraph 6.

PART 2B: BASKET OF INDICES

The terms and conditions applicable to Notes linked to a basket of indices shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the **"Principal Conditions"**) and the additional Terms and Conditions set out below (the **"Basket Index Linked Conditions"**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Principal Conditions and the Basket Index Linked Conditions, the Basket Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Basket Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, for the purposes of Condition 5(a) the Final Redemption Amount payable per Note on the Maturity Date (subject to the provisions of Condition 5(l) and 5(m)) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means any event(s) specified as such in the applicable Final Terms.

"Averaging Dates" means, in respect of an Index and each Valuation Date each of the dates specified as such in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day in respect of the relevant Index, the next following Scheduled Trading Day in respect of that Index, in each case subject to Condition 5(l) as set out below.

"Barrier Level" means the level of the Basket specified as such or otherwise determined as provided in the applicable Final Terms, subject to adjustment in accordance with Condition 5(m) as set out below.

"Basket" means a basket composed of the Indices specified in the Final Terms.

"Disrupted Day" means, in respect of an Index, any Scheduled Trading Day on which (i) if "Multi-Exchange Index" is specified in the Final Terms, the relevant Index Sponsor fails to publish the level of the relevant Index or, if "Multi-Exchange Index" is not so specified in relation to that Index, the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

"Early Closure" means, in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

"Exchange(s)" means, in respect of an Index, the exchange or quotation system specified for such Index in the applicable Final Terms and, if "Multi-Exchange Index" is specified in relation to that Index in the applicable Final Terms, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means, in respect of an Index, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

"Exchange Disruption" means, in respect of 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 (i) to effect transactions in, or obtain market values for, (x) if "Multi-Exchange Index" is specified in relation to that Index in the applicable Final Terms any security comprised in such Index on any relevant Exchange and (y) if "Multi-Exchange Index" is not so specified in relation to that Index in the Final Terms, securities that comprise 20 per cent, or more of the level of such Index on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange.

"Expiration Date" means the date (if any) specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l).

"Final Index Level" means:

(i) (a) in respect of any Index and any Valuation Date or Observation Date, the Index Level on such Valuation Date or Observation Date or (b) in respect of any Index and the Averaging Dates relating to an Observation Period or a Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded to the nearest unit of the Specified Currency in which such Index is valued (with halves being rounded up)) of the Index Levels of such Index on each of such Averaging Dates; or

(ii) (a) in respect of the Basket and any Valuation Date or Observation Date, a value for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the Index Level of such Index on such Valuation Date or Observation Date and (ii) the relevant Weight, or (b) in respect of the Basket and the Averaging Dates relating to an Observation Period or Valuation Date, the arithmetic average as determined by the Calculation Agent of the values for the Basket calculated on each of such Averaging Date as the sum of the values of each Index as the product in respect of each Index of (i) the Index Level of such Index on each of such Averaging Dates and (ii) the relevant Weight;

all being subject to adjustment in accordance Condition 5(m) as set out below.

"Index" means one of the indices specified in the definition of Basket or any Successor Index, **"Indices"** means all such indices together.

"Index Cancellation" means, in respect of an Index, the Index Sponsor in respect of such Index permanently cancels the Index and no Successor Index exists.

"Index Disruption" means, in respect of an Index, the Index Sponsor in respect of such Index fails to calculate and announce the Index Level.

"Index Level" means, in respect of an Index, on any relevant Scheduled Trading Day, the official closing level of the relevant Index, as calculated and published by the relevant Index Sponsor.

"Index Modification" means, in respect of an Index, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating such Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalization and other routine events).

"Index Sponsor" means, in respect of an Index, either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person.

"Initial Index Level" means either (i) in respect of any Index, the level of such Index specified as such or otherwise determined in the applicable Final Terms or, if no such level is so specified or otherwise determined, the level of such Index as determined by the Calculation Agent as of the Valuation Time on the Strike Date; or (ii) in respect of the Basket, the level specified as such or otherwise determined as provided in the applicable Final Terms or, if no such level is specified or otherwise determined as provided in the applicable Final Terms, a value for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the Index Level of such Index on the Strike Date and (ii) the relevant Weight, all being subject to adjustment in accordance with Condition 5(m) as set out below.

"Market Disruption Event" means, in respect of an Index, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, **provided that,** if "Multi-Exchange Index" is specified in relation to that Index in the Final Terms, the securities comprised in the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the relevant Issuer, in aggregate to 20 per cent, or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

"Observation Date" means, in respect of an Index, each date, if any, specified as such in the Final Terms or, if any such date is not a Scheduled Trading Day in respect of such Index, the next following such Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Observation Period" has the meaning ascribed to it in the Final Terms.

"Related Exchange" means, in respect of an Index, each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the relevant Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

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

"Scheduled Trading Day" means, in respect of an Index, (i) if "Multi-Exchange Index" is specified in relation to that Index in the Final Terms, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if "Multi-Exchange Index" is not so specified in relation to that Index in the Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

"Strike Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Strike Price" means the value (if any) specified as such in the Final Terms.

"Successor Index" means, in respect of an Index, where such Index is (i) not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the relevant Issuer or (ii) replaced by a successor index using, in the determination of the relevant Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor.

"Trading Disruption" means, in respect of an Index, any suspension of or limitation imposed on trading by a relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise (i) if "Multi-Exchange Index" is specified in relation to that Index in the Final Terms, on any relevant Exchange(s) relating to any security comprised in the relevant Index or, if "Multi-Exchange Index" is not so specified in relation to that Index in the Final Terms, on the Exchange relating to securities that comprise 20 per

cent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange.

"Valuation Date" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of Condition 5(l) as set out below.

"Valuation Time" means:

(a) except where "Multi-Exchange Index" is specified in the applicable Final Terms in relation to the relevant Index, the time specified as such in the applicable Final Terms or, if no time is so specified, the Scheduled Closing Time on the relevant Exchange on the relevant Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 5(l) (as set out below)) the Valuation Time shall be such actual closing time; or

(b) if "Multi-Exchange Index" is specified in the applicable Final Terms in relation to the relevant Index, the time specified as such in the applicable Final Terms or if no time is so specified:

(i) for the purposes of determining whether a Market Disruption Event has occurred;

(x) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange; and

(y) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange; and

(ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"Weight" means, in respect of each Index comprised in the Basket, the percentage in respect of such Index specified as such in the applicable Final Terms.

3. Disrupted Days

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5(l) as follows:

"(l) Disrupted Days

If the Calculation Agent determines that an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date as the case may be, is a Disrupted Day in respect of an Index, then such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, for such Index shall be the first succeeding Scheduled Trading Day in respect of such Index that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, is a Disrupted Day for such Index. In that case:

(a) that eighth Scheduled Trading Day shall be deemed to be such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, for such Index, notwithstanding the fact that such day is a Disrupted Day; and

(b) the Calculation Agent shall determine the Index Level of such Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating such 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 relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred in respect of an Index on an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, payment of the Final Redemption Amount and/or amount of interest (if the payment of interest is index-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the Final Terms) following the postponed Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be, in respect of the Indices. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this clause.

The relevant Issuer shall give notice to the holders of the Notes, in accordance with Condition 13, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.

4. Adjustments, Consequences of Certain Events and Currency

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5(m) as follows:

"(m) Adjustments and Currency

(i) *Index Modification, Index Cancellation and/or Index Disruption*

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Final Redemption Amount, the Redemption Amount and/or any other relevant term of the Notes, the Calculation Agent may make any adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13.

(ii) *Price Correction*

In the event that any price or level published on any relevant Exchange or by any relevant Index Sponsor in respect of an Index and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period as specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the relevant Issuer will adjust the terms and conditions of the Notes to account for such correction.

(iii) *Currency*

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, the Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, the Redemption Amount, Strike Price and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice of any such adjustment to the holders of the Notes in accordance with Condition 13.

(iv) *Additional Disruption Events*

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its Redemption Amount on such date as the Issuer may notify to the Noteholders in accordance with Condition 13. The relevant Issuer shall give notice to the holders of the Notes of any redemption of the Notes or determination pursuant to this paragraph to the Agent who shall give notice as soon as practicable in accordance with Condition 13.

5. Index Disclaimer

The Notes are not sponsored, endorsed, sold or promoted by any of the Indices or any of the Index Sponsors and none of the Index Sponsors has made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Index and/or the levels at which any such Index stands at any particular time on any particular date or otherwise. None of the Index Sponsors shall be liable (whether in negligence or otherwise) to any person for any error in any relevant Index and none of the Index Sponsors are under any obligation to advise any person of any error therein. The Index Sponsors have made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the relevant Issuer, the Guarantor nor the Calculation Agent shall have any liability to any person for any act or failure to act by any Index Sponsor in connection with the calculation, adjustment or maintenance of any Index. Neither the relevant Issuer, the Guarantor nor the Calculation Agent has any affiliation with or control over any of the Indices or any of the Index Sponsors or any control over the computation, composition or dissemination of the Indices. Although the relevant Issuer and the Calculation Agent will obtain information concerning the Indices from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the relevant Issuer, the Guarantor or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Index.

6. Hedging Disruption Events

6.1 A **"Hedging Disruption Event"** shall occur if the Calculation Agent reasonably determines in good faith that:

(a) the Issuer or any affiliate (a **"Hedging Party"**) is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a **"Relevant Hedging Transaction"**) it deems necessary or appropriate to hedge its exposure to price variations of the Basket inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Basket under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or

(b) the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

(c) any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party.

6.2 A Hedging Disruption Event may include, but is not limited to, the following:

(a) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or

(b) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

6.3 In the event of a Hedging Disruption Event:

(a) the Issuer may elect to redeem each Note at its Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Condition 13; and

(b) subject as provided in the applicable Final Terms, the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Redemption Amount and/or any other terms of the Notes as it considers appropriate in order to maintain the theoretical value of the Notes after adjusting for the relevant Hedging Disruption Event.

6.4 The Calculation Agent shall as soon as reasonably practicable give instructions to the Issuer to notify the Noteholders in accordance with Condition 13, if it determines that a Hedging Disruption Event has occurred and such notice shall specify the consequence of such Hedging Disruption Event as determined pursuant to this paragraph 6.

PART 3: EQUITY LINKED NOTES

PART 3A: SINGLE SHARE

The terms and conditions applicable to Notes linked to a single share shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the **"Principal Conditions"**) and the additional Terms and Conditions set out below (the **"Equity Linked Conditions"**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Principal Conditions and the Equity Linked Conditions, the Equity Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Equity Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 5(l) and 5(m)) the relevant Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if "Share Delivery" is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 5(n)), all as further specified in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means Insolvency Filing and any event(s) specified as such (if any) in the applicable Final Terms.

"Averaging Dates" means, in respect of each Valuation Date, each of the dates specified as such in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Condition 5(l) as set out below.

"Barrier Level" means the price of a Share specified as such or otherwise determined as provided in the applicable Final Terms, subject to adjustment in accordance with Condition 5(m) as set out below.

"De-listing" means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or requoted 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) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

"Delivery Agent" means such delivery agent as specified in the applicable Final Terms.

"Delivery Day" means, if "Share Delivery" is specified as being applicable in the Final Terms, a day, if any, on which the Shares comprised in the Share Amount(s) may be delivered to the Noteholders in a manner which the Issuer determines to be appropriate.

"Disrupted Day" means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

"Disruption Cash Settlement Price" means, if "Share Delivery" is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the Share Amount, as determined by the Calculation Agent in its sole discretion.

"Early Closure" means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour

prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means the exchange or quotation system specified in the Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any such Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange.

"Expiration Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Condition 5(l) as set out below.

"Extraordinary Dividend" means, in respect of the Shares, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the relevant Issuer.

"Final Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent and subject to adjustment in accordance with Condition 5(m) as set out below.

"Fractional Amount" means, if "Share Delivery" is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 5(n)(iii) as set out below.

"Fractional Cash Amount" means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent:

Fractional Cash Amount = (Final Share Price x Fractional Amount).

"Initial Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent and subject to adjustment in accordance with Condition 5(m) as set out below.

"Insolvency" means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means that the Calculation Agent determines that the Share Issuer has instituted or has had 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.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of, or an irrevocable commitment to, transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of, or an irrevocable commitment to, transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

"Nationalisation" means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"New Shares" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed 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 of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

"Observation Date" means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Observation Period" has the meaning ascribed to it in the Final Terms.

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party).

"Potential Adjustment Event" means any of the following:

(i) a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the Shares of (A) Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer 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;

(iii) an Extraordinary Dividend;

(iv) a call by the Share Issuer in respect of Shares that are not fully paid;

(v) a repurchase by the Share Issuer 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;

(vi) with respect to the Share Issuer, an event that results in any shareholder rights 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) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (**provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights);

(vii) the effective date of a consolidation of an Underlying with another company or merger of an Underlying with another company; or

(viii) any other event that may have a diluting or concentrative effect on the theoretical value of the Shares.

Following the declaration by a Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will make the corresponding adjustment, if any, using its sole and absolute discretion.

"Price" means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if "Constant Monitoring" is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if "Valuation Time Only" is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

"Related Exchange" means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Shares, or such other options or futures exchange(s) as the relevant Issuer may select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Shares has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Shares on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Scheduled Closing Time" means, in respect of the Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

"Settlement Disruption Event" means, if "Share Delivery" is specified as being applicable in the Final Terms, an event determined by the Calculation Agent to be beyond the control of the relevant Issuer as a result of which the relevant Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the relevant Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

"Share Amount" has the meaning ascribed to it in the applicable Final Terms.

"Share Currency" has the meaning ascribed to it in the applicable Final Terms.

"Share Delivery Date" has the meaning ascribed to it in the applicable Final Terms.

"Share Issuer" has the meaning ascribed to it in the applicable Final Terms.

"Shares" has the meaning ascribed to it in the applicable Final Terms.

"Strike Date" means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Strike Price" means the price (if any) specified as such in the applicable Final Terms.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the 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.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

"Trading Disruption" means any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange.

"Valuation Date" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of paragraph 3 (*Disrupted Days*) as set out below.

"Valuation Time" means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 5(l)) the Valuation Time shall be such actual closing time.

3. Disrupted Days

For the purposes of the Notes, Condition 5(l) shall be amended by the addition of a new Condition 5(l) as follows:

"(l) Disrupted Days

If the Calculation Agent determines that an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, as the case may be, in respect of the Shares is a Disrupted Day, then the Strike Date, the Expiration Date, such Averaging Date, such Valuation Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, is a Disrupted Day. In that case:

(a) that eighth Scheduled Trading Day shall be deemed to be such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and

(b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, payment of any Redemption Amount and/or any amount of interest (if the payment of interest is share-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period as specified in the Final Terms) following the postponed Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this clause.

The relevant Issuer shall give notice to the holders of the Notes, in accordance with Condition 13, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes."

4. Adjustments

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5(m) as follows:

"(m) Adjustments, Consequences of Certain Events and Currency

(i) *Adjustments*

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount, the Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

(ii) *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred, the relevant Issuer may:

(a) redeem each Note at its Redemption Amount (unless provided for otherwise in the Final Terms), on such date as the relevant Issuer may notify to Noteholders in accordance with Condition 13; and/or

(b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (**provided that** no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/or

(c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the "Shares" and the "Share Issuer", respectively, and if the Calculation Agent determines to be appropriate, the Calculation Agent will adjust any relevant terms of the Notes as it may determine.

The relevant Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 13.

(iii) *Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the relevant Issuer may:

(a) redeem each Note at its Redemption Amount (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 13; and/or

(b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (**provided that** no adjustments will be made solely to account for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

The relevant Issuer shall give notice of such redemption or adjustment to the Noteholders in accordance with Condition 13.

(iv) *Nationalisation, Insolvency or De-listing*

If in respect of the Shares or the Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the relevant Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its Redemption Amount as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13.

(v) *Price Correction*

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 by the Exchange within three Business Days (or such other period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the relevant Issuer will adjust the terms and conditions of the Notes to account for such correction.

(vi) *Currency*

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, the Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the relevant Issuer), the relevant Issuer may make such adjustment or adjustments to the Final Redemption Amount, the Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13.

(vii) *Additional Disruption Events*

If the Calculation Agent determines that an Additional Disruption Event has occurred, the relevant Issuer may redeem each Note at its (as determined by the Calculation Agent) Redemption Amount as at the date of redemption taking into account the Additional Disruption Event (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13.

(viii) *Change in currency*

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the relevant Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

5. Delivery of Share Amount

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, Condition 5 shall be amended by the addition of a new Condition 5 (n) as follows:

"(n) Delivery of Share Amount

If the Notes are to be redeemed by the delivery of the Share Amounts, the relevant Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the relevant Issuer with sufficient instructions in a timely manner to enable the relevant Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The relevant Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, "delivery" in relation to any Share Amount means the carrying out of the steps required of the relevant Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "deliver" shall be construed accordingly. The relevant Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the relevant Issuer and the Delivery Agent shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the Share Issuer. Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The relevant Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 5 (m).

Neither the relevant Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) *Consequences of a Settlement Disruption Event*

If the relevant Issuer determines that delivery of any Share Amount in respect of any Note by the relevant Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 13, provided that the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the relevant Issuer deems appropriate in connection with delivery of such Share Amount in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the relevant Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the relevant Issuer may

elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 13. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13.

The relevant Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 if a Settlement Disruption Event has occurred.

(iii) *Aggregate Share Amount*

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.

(iv) *Entitlement to Dividends and Rights under the Shares*

The Issuer is entitled to any rights under the Shares existing before or on the Maturity Date, if the day on which the Shares are first traded on the Exchange "ex" such right is prior to or on the Maturity Date of the Notes. If the delivery of the Shares, for whatever reason, is effected after the Maturity Date of the Notes, the Noteholders are, with respect to such rights, to be treated as if they had already become owners of the Shares on the Maturity Date of the Notes.

(v) *Notes redeemed by the Shares — Obligations of Issuer and Agent*

If the Notes are to be redeemed by the Shares, the Issuer or the Agent is under no obligation to pass on to the Noteholders any notices, circulars or other documents received by the Issuer prior to delivery of the Shares, even if such notices, circulars or other documents relate to events occurring after delivery of the Shares. If the delivery of the Shares, for whatever reason, is only effected after the Maturity Date of the Notes, the Issuer is not obliged to exercise any rights under the Shares during the intervening period.

(vi) *Delivery of the Shares*

The delivery, if any, of the Shares will be made to the relevant account of the Noteholder's bank or in such other commercial reasonable manner as the Issuer through the Delivery Agent shall, in its sole discretion, determine to be appropriate for such delivery. All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery of the Shares shall be for the account of the relevant Noteholder. In case of delivery, the Shares will be deliverable at the risk of the relevant Noteholder on the Maturity Date.

(vii) *Publication of the Final Redemption Amount*

The Final Redemption Amount will be published as soon as possible after its determination on the following website: www.bnpparibasfortis.be or through the clearing systems (in this case, for any offer to the pubic which does not require the publication of a prospectus in accordance with the Prospectus Directive)."

6. Prescription

For the avoidance of doubt, Condition 8 shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, then, on the date that is 6 months after the Maturity Date, the Agent on behalf of the relevant Issuer shall be entitled (i) to sell the Shares with respect to Notes not presented for reimbursement and (ii) to determine the cash amount at which the Notes will be redeemed as from such date.

7. Hedging Disruption Events

7.1 A **"Hedging Disruption Event"** shall occur if the Calculation Agent reasonably determines in good faith that:

(a) the Issuer or any affiliate (a **"Hedging Party"**) is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a **"Relevant Hedging Transaction"**) it deems necessary or appropriate to hedge its exposure to price variations of the Shares inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Shares under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or

(b) it has become illegal for any Hedging Party to hold, acquire or dispose of Shares; and/or

(c) the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

(d) any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party.

7.2 Such determinations by the Calculation Agent may include, but are not limited to, the following:

(a) any increased illiquidity in the market for any Shares (as compared with circumstances existing on the Issue Date); or

(b) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or

(c) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

7.3 In the event of a Hedging Disruption Event:

(a) the Issuer may elect to redeem each Note at its Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Condition 13; and

(b) subject as provided in the applicable Final Terms, the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Redemption Amount and/or any other terms of the Notes as it considers appropriate in order to maintain the theoretical value of the Notes after adjusting for the relevant Hedging Disruption Event.

7.4 The Calculation Agent shall as soon as reasonably practicable give instructions to the Issuer to notify the Noteholders in accordance with Condition 13, if it determines that a Hedging Disruption Event has occurred and such notice shall specify the consequence of such Hedging Disruption Event as determined pursuant to this paragraph 7.

PART 3B: BASKET OF SHARES

The terms and conditions applicable to Notes linked to a basket of shares shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the **"Principal Conditions"**) and the additional Terms and Conditions set out below (the **"Share Basket Linked Conditions"**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Principal Conditions and the Share Basket Linked Conditions, the Share Basket Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Share Basket Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 5(l) and 5(m)) the relevant Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if "Share Delivery" is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 5(n)), all as further specified in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means any Insolvency Filing and any such other event(s) if any specified as such in the applicable Final Terms.

"Averaging Dates" means, in respect of a Share and each Valuation Date, each of the dates specified as such in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Barrier Level" means the price of the Basket specified as such or otherwise determined as provided in the applicable Final Terms, subject to adjustment in accordance with Condition 5(l) as set out below.

"Basket" means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the Final Terms.

"De-listing" means that an Exchange announces that pursuant to its rules one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the relevant Issuer.

"Delivery Day" means, if "Share Delivery" is specified as being applicable in the Final Terms, a day, if any, on which Shares comprised in any Share Amount(s) may be delivered to the Noteholders in a manner which the Calculation Agent determines to be appropriate.

"Disrupted Day" means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which any Market Disruption Event has occurred.

"Disruption Cash Settlement Price" means, if "Share Delivery" is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the relevant Share Amount, as determined by the Calculation Agent in its sole discretion.

"Early Closure" means, in respect of any Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means, in respect of any Share comprised in the Basket, the exchange or quotation system specified for such Share in the Final Terms or otherwise the stock exchange on which such Share is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means, in respect of any Share comprised in the Basket, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, in respect of any Share comprised in the Basket, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Share on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

"Expiration Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Extraordinary Dividend" means, in respect of any Share comprised in the Basket, the characterization of a dividend or portion thereof as an Extraordinary Dividend by the relevant Issuer.

"Final Share Price" means, in respect of any Share comprised in the Basket, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Fractional Amount" means, if "Share Delivery" is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 5(n)(iii) as set out below.

"Fractional Cash Amount" means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent:

Fractional Cash Amount = (Final Share Price x Fractional Amount).

"Initial Share Price" means, in respect of any Share comprised in the Basket, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent and subject to adjustment in accordance with Condition 5(l) as set out below.

"Insolvency" means, in respect of a Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

"Nationalisation" means that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"New Shares" means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the relevant Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

"Observation Date" means each date, if any, specified as such in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Observation Period" means each period specified as such in the Final Terms.

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party).

"Potential Adjustment Event" means any of the following:

(i) a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer 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;

(iii) an Extraordinary Dividend;

(iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;

(v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Share Issuer, an event that results in any shareholder rights 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) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer (**provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights);

(vii) the effective date of a consolidation of an Underlying with another company or merger of an Underlying with another company; or

(viii) any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket.

Following the declaration by a Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will make the corresponding adjustment, if any, using its sole and absolute discretion.

"Price" means, in respect of any Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if "Constant Monitoring" is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if "Valuation Time Only" is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

"Related Exchange" means, in respect of any Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or such other options or futures exchange(s) as the relevant Issuer may select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

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

"Scheduled Trading Day" means, in respect of any Share comprised in the Basket, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions.

"Settlement Disruption Event" means, if "Share Delivery" is specified as being applicable in the applicable Final Terms, in respect of any Share, an event determined by the Calculation Agent to be beyond the control of the relevant Issuer as a result of which the relevant Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the relevant Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

"Share Amount" has the meaning ascribed to it in the applicable Final Terms.

"Share Currency" has the meaning ascribed to it in the applicable Final Terms.

"Share Delivery Date" has the meaning ascribed to it in the applicable Final Terms and subject to adjustment in accordance with Condition 5(n)(ii) as set out below.

"Share Issuer" has the meaning ascribed to it in the applicable Final Terms.

"Shares" has the meaning ascribed to it in the applicable Final Terms.

"Strike Date" means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 5(l) as set out below.

"Strike Price" means the price (if any) specified as such in the Final Terms.

"Tender Offer" means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant 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.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

"Valuation Date" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of paragraph 3 (*Disrupted Days*) as set out below.

"Trading Disruption" means, in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange.

"Valuation Time" means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to that Share. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 5(l) as set out below) the Valuation Time shall be such actual closing time.

3. Disrupted Days

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5(l) as follows:

"(l) Disrupted Days

If the Calculation Agent determines that an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, as the case may be, is a Disrupted Day in respect of any Share, then such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date as the case may be, in respect of that Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, is a Disrupted Day. In that case:

(a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date, such Valuation Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and

(b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on an Averaging Date, the Expiration Date, an Observation Date, this Strike Date or a Valuation Date, payment of the Redemption Amount, Final Redemption Amount and/or any amount of interest (if the payment of interest is share-linked), as the case may be, shall be postponed to the later of (i) the Early Redemption Date, Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period as specified in the Final Terms) following the postponed Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be. For the avoidance of

doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Amount, Final Redemption Amount and/or any amount of interest in accordance with this Clause.

The relevant Issuer shall give notice to the holders of the Notes, in accordance with Condition 13, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.

4. Adjustments

For the Purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5(m) as follows:

"(m) Adjustments, Consequences of Certain Events and Currency

(i) *Adjustments*

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount, the Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

(ii) *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the relevant Issuer may: (a) redeem each Note at its Redemption Amount (unless provided for otherwise in the Final Terms), on such date as the relevant Issuer may notify to Noteholders in accordance with Condition 13; and/or (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (**provided that** no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "Shares" and the relevant "Share Issuer", respectively, and if the Calculation Agent determines to be appropriate, the relevant Issuer will adjust any relevant terms of the Notes as it may determine. The relevant Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 13.

(iii) *Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the relevant Issuer may: (a) redeem each Note at its Redemption Amount (unless provided for otherwise in the Final Terms), on such date as the relevant Issuer may notify to Noteholders in accordance with Condition 13; and/or (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (**provided that** no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment. The relevant Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 13.

(iv) *Nationalisation, Insolvency or De-listing*

If in respect of one or more of the Shares in the Basket or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the relevant Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or De-listing, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its Redemption Amount as at the date of redemption taking into account the Nationalisation, Insolvency or Delisting (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13.

(v) *Price Correction*

In the event that any price or level published on an Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the relevant Issuer will adjust the terms and conditions of the Notes to account for such correction.

(vi) *Currency*

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the relevant Issuer), the relevant Issuer may make such adjustment or adjustments to the Final Redemption Amount, Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The relevant Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13.

(vii) *Additional Disruption Events*

If the Calculation Agent determines that an Additional Disruption Event has occurred in respect of one or more of the Shares in the Basket, the relevant Issuer may redeem each Note at its Redemption Amount as at the date of redemption taking into account the Additional Disruption (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13.

(viii) *Change in currencies*

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the relevant Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

5. Delivery of Share Amount

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, Condition 5 shall be amended by the addition of a new Condition 5(n) as follows:

"(n) Delivery of Share Amounts

If the Notes are to be redeemed by the delivery of the Share Amounts, the relevant Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the

relevant Issuer with sufficient instructions in a timely manner to enable the relevant Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The relevant Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, **"delivery"** in relation to any Share Amount means the carrying out of the steps required of the relevant Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and **"deliver"** shall be construed accordingly. The relevant Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the relevant Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the relevant Share Issuer.

Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The relevant Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 5(m).

Neither the relevant Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ix) *Consequences of a Settlement Disruption Event*

If the relevant Issuer determines that delivery of any Share Amount (or part thereof) in respect of any Note by the relevant Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount (or part thereof) shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 13, **provided that** the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount (or part thereof) using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the relevant Issuer deems appropriate in connection with delivery of such Share Amount (or part thereof) in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the relevant Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount (or part thereof) in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 13. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13.

The relevant Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 if a Settlement Disruption Event has occurred.

(x) *Aggregate Share Amount*

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The relevant Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.

(xi) *Entitlement to Dividends and Rights under the Shares*

The Issuer is entitled to any rights under the Shares existing before or on the Maturity Date, if the day on which the Shares are first traded on the Exchange "ex" such right is prior to or on the Maturity Date of the Notes. If the delivery of the Shares, for whatever reason, is effected after the Maturity Date of the Notes, the Noteholders are, with respect to such rights, to be treated as if they had already become owners of the Shares on the Maturity Date of the Notes.

(xii) *Notes redeemed by the Shares — Obligations of Issuer and Fiscal Agent*

If the Notes are to be redeemed by the Shares, the Issuer or the Fiscal Agent is under no obligation to pass on to the Noteholders any notices, circulars or other documents received by the Issuer prior to delivery of the Shares, even if such notices, circulars or other documents relate to events occurring after delivery of the Shares. If the delivery of the Shares, for whatever reason, is only effected after the Maturity Date of the Notes, the Issuer is not obliged to exercise any rights under the Shares during the intervening period.

(xiii) *Delivery of the Shares*

The delivery, if any, of the Shares will be made to the relevant account of the Noteholder's bank or in such other commercial reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery. All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery of the Shares shall be for the account of the relevant Noteholder. In case of delivery, the Shares will be deliverable at the risk of the relevant Noteholder on the Maturity Date.

(xiv) *Publication of the Final Redemption Amount*

The Final Redemption Amount will be published as soon as possible after its determination on the following website: www.bnpparibasfortis.be or through the clearing systems (in this case, for any offer to the pubic which does not require the publication of a prospectus in accordance with the Prospectus Directive)."

6. Prescription

For the avoidance of doubt, Condition 8 shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, then, on the date that is 6 months after the Maturity Date, the Fiscal Agent on behalf of the relevant Issuer shall be entitled (i) to sell the Shares with respect to Notes not presented for reimbursement and (ii) to determine the cash amount at which the Notes will be redeemed as from such date.

7. Hedging Disruption Events

7.1 A **"Hedging Disruption Event"** shall occur if the Calculation Agent reasonably determines in good faith that:

(a) the Issuer or any affiliate (a **"Hedging Party"**) is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a **"Relevant Hedging Transaction"**) it deems necessary or appropriate to hedge its exposure to price variations of the Shares inherent in its obligations, in the

case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Shares under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or

(b) it has become illegal for any Hedging Party to hold, acquire or dispose of Shares; and/or

(c) the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

(d) any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party.

7.2 Such determinations by the Calculation Agent may include, but are not limited to, the following:

(a) any increased illiquidity in the market for any Shares (as compared with circumstances existing on the Issue Date); or

(b) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or

(c) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

7.3 In the event of a Hedging Disruption Event:

(a) the Issuer may elect to redeem each Note at its Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Condition 13; and

(b) subject as provided in the applicable Final Terms, the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Redemption Amount and/or any other terms of the Notes as it considers appropriate in order to maintain the theoretical value of the Notes after adjusting for the relevant Hedging Disruption Event.

7.4 The Calculation Agent shall as soon as reasonably practicable give instructions to the Issuer to notify the Noteholders in accordance with Condition 13, if it determines that a Hedging Disruption Event has occurred and such notice shall specify the consequence of such Hedging Disruption Event as determined pursuant to this paragraph 7.

PART 4: FUND-LINKED NOTES

PART 4A: SINGLE FUND

The terms and conditions applicable to Notes linked to a single fund shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the **"Conditions"**) and the additional terms and conditions set out below (the **"Single Fund-Linked Conditions"**) in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Conditions and the Single Fund-Linked Conditions, the Single Fund-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Single Fund-Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

1. Final Redemption

For the purposes of Condition 5(a) and unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Final Redemption Amount payable per Note in respect of the Maturity Date (subject to postponement of settlement as provided in paragraph 3 (Postponement of settlement at Maturity Date) below, if applicable) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the applicable Final Terms and the following provisions.

2. Definitions

"Additional Fund Event" means any event specified as such in the applicable Final Terms.

"Additional Fund Service Provider" means, in respect of any Fund, any person or entity (if any) specified as such in the applicable Final Terms.

"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 such purposes, **"control"** of any entity or person means ownership of a majority of the voting power of the entity or person).

"AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000, or the equivalent in any other currency.

"Averaging Date" means, in respect of each Valuation Date, each date (if any) specified as such or otherwise determined as provided in the applicable Final Terms or, if such day is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Condition 5(n) (Consequences of Disrupted Days for Averaging Dates).

"Company" means, in respect of the Fund Interest and the related Fund, the entity (if any) specified as such in the applicable Final Terms (if any).

"Currency Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the Specified Currency specified in the applicable Final Terms. If such Specified Currency is euro, any day that is a TARGET Settlement Day shall be a Currency Business Day.

"Cut-off Period" means, in respect of any date, the period specified in the applicable Final Terms, or if no such period is specified, a period of one calendar year; provided that if a **"Final Cut-off Date"** is specified in the applicable Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.

"Disrupted Day" means any day on which a Market Disruption Event has occurred or is continuing.

"Eligible Fund Interest" means, in respect of the Fund Interest, the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest (if any) specified as such in the applicable Final Terms.

"ETF" or **"Exchange Traded Fund"** means any Fund specified as an Exchange Traded Fund in the applicable Final Terms or, if not so specified, any Fund which the Calculation Agent determines to be an Exchange Traded Fund.

"Exchange" means, in respect of any ETF, the exchange or quotation system specified for such ETF in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Interest Units in respect of such ETF has temporarily relocated.

"Extraordinary Dividend" means an amount per relevant Fund Interest Unit or other amount of Fund Interest specified or otherwise determined as provided in the applicable Final Terms provided that if no Extraordinary Dividend is specified in or otherwise determined as provided in the applicable Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent.

"Final Cut-off Date" means the date specified as such in the applicable Final Terms.

"Final Valuation Date" means, if there is more than one Valuation Date, the last Valuation Date or, if there is only one Valuation Date, the Valuation Date.

"Final Valuation Time" means, if there are more than one Valuation Date, the Valuation Time in relation to the last Valuation Date or, if there is only one Valuation Date, the Valuation Time.

"Fund" means, in respect of the Fund Interest, unless otherwise specified in the applicable Final Terms, the issuer of, or other legal arrangement (including, if applicable, any relevant class or series) giving rise to, the Fund Interest.

"Fund Administrator" means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities to such Fund according to the Fund Documents.

"Fund Adviser" means, in respect of any Fund, any person specified as such in the applicable Final Terms, or if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund.

"Fund Business Day" means, in respect of the Fund Interest and the related Fund, any day specified as such in the applicable Final Terms or, if no day is so specified, any day on which the Fund or the primary Fund Administrator acting on behalf of the Fund is open for business.

"Fund Custodian" means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund custodian or similar person with the primary custodial responsibilities in relation to such Fund according to the Fund Documents.

"Fund Documents" means, in respect of the Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Fund specifying the terms and conditions relating to the Fund Interest (including, without limitation, the Fund Prospectus) and any additional documents specified in the applicable Final Terms (each an **"Additional Fund Document"**), in each case as amended from time to time.

"Fund Event" means, subject as otherwise provided in the Final Terms, the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

a) the Fund or any Fund Service Provider (i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable) (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or

liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

b) the occurrence (such occurrence, a "**Merger Event**"), in respect of any relevant Shares and Entity (as defined below), of any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such Entity, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of an Entity that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity or its subsidiaries with or into another entity in which the Entity is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Fund Event effective date, as determined by the Calculation Agent, is on or before the Final Calculation Date. For the purposes of this definition "**Merger Event**" only, "**Shares**" shall mean the applicable Fund Interest Units or the shares of any applicable Fund Service Provider, as the context may require, and "**Entity**" shall mean the applicable Fund or any applicable Fund Service Provider, as the context may require.

c) the occurrence (such occurrence, a "**Tender Offer**") of a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, 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;

d) there exists any litigation against the Fund or a Fund Service Provider which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the Fund Interest Units or the rights or remedies of any investor in such Fund Interest Units;

e) (i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the Fund Interest Units or the rights or remedies of any investor in such Fund Interest Units;

f) (i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Interest Units or on the rights or remedies of any investor in such Fund Interest Units;

g) one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;

h) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests), from those set out in the Fund Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;

i) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the Fund invests, or (ii) the Fund purports to track;

j) a material modification, or any announcement regarding a potential future material modification, of the Fund (including but not limited to a material modification of the Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Interest Units or the Fund or any portfolio of assets to which the Fund Interest Unit relates (either alone or in common with other Fund Interest Units issued by the Fund);

k) the creation by the Fund of any illiquid share class or unit howsoever described;

l) the currency denomination of the Fund Interest Units is amended from that set out in the Fund Documents so that the NAV per Fund Interest Unit is no longer calculated in the same currency as it was as at the Trade Date;

m) if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

n) following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Notes;

o) a material modification of the method of calculating the NAV per Fund Interest Unit;

p) any change in the periodicity of the calculation or the publication of the NAV per Fund Interest Unit;

q) any suspension of the calculation or publication of the NAV per Fund Interest Unit;

r) the occurrence of any event affecting a Fund Interest Unit that, in the sole and absolute discretion of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the NAV per Fund Interest Unit;

s) any of the Fund, any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Interest Unit within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Interest Units unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication

t) any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Interest Unit when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents);

u) the assets under management of the Fund falls below the AUM Level;

v) the Calculation Agent determines, at any time, that the NAV per Fund Interest Unit is inaccurate, or (ii) the reported net asset value of the Fund Interest Units misrepresents the net asset value of the Fund Interest Units;

w) the occurrence (such occurrence, a "**NAV Trigger Event**"), in respect of the Fund Interest Units, of the event that (i) the NAV per Fund Interest Unit has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;

x) in the case of a Hedge Fund only, the audited net asset value of the Fund and/or the NAV per Fund Interest Unit is different from the audited net asset value of the Fund and/or the NAV per Fund Interest Unit communicated by the relevant Fund Service Provider in respect of the same date, (ii) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (iii) the Calculation Agent, in its sole and absolute discretion, does not deem the audited net asset value of the Fund and/or the NAV per Fund Interest Unit to be representative of the actual net asset value of the Fund and/or the NAV per Fund Interest Unit;

y) any failure of the Fund, or its authorised representative, to deliver or publish, or cause to be delivered or published, (i) information that the Fund has agreed to deliver or publish, or agreed to cause to be delivered or published, to the Calculation Agent or Hedge Provider, or (ii) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Interest Unit;

z) any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;

aa) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Notes (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event;

bb) (i) any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Fund is required by a competent authority to redeem any Fund Interest Units, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Interest Units held in connection with any hedging arrangements relating to the Notes and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund Interest Units or other activities or undertakings of the Fund or on the rights or remedies of any investor in such Fund Interest Units, including any Hedge Provider;

cc) in connection with any hedging activities in relation to the Notes, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital

that would have to be maintained in respect of any holding of Fund Interest Units or that would subject a holder of the Fund Interest Units or the Hedge Provider to any loss), purchase or sell the relevant Fund Interest Units or any underlying assets of or related to the Fund or for the Hedge Provider to maintain such hedging arrangements and, subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

dd) in connection with the hedging activities in relation to the Notes, if the cost to the Hedge Provider in relation to the Notes and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Notes and the related hedging arrangements;

ee) in connection with the hedging activities in relation to the Notes, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary to hedge the Issuer's obligations under the Notes or (ii) to realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem a Fund Interest Unit, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest Unit, or (B) any mandatory redemption, in whole or in part, of such Fund Interest Unit;

ff) at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Notes;

gg) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Interest Units (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit) (ii) the Fund suspends or refuses transfers of any of its Fund Interest Units (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Interest Units), (iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Interest Units by the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Interest Units, if in any case it could in the sole and absolute determination of the Calculation Agent have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, or (iv) a mandatory redemption, in whole or in part, of the Fund Interest Units is imposed by the Fund on any one or more holders of Fund Interest Units at any time for any reason;

hh) the occurrence of any Additional Fund Event;

ii) the Fund or any Fund Service Provider defaults under, materially modifies, or terminates any rebate agreements in place with the Issuer, the Hedge Provider or any of its Affiliates;

jj) if the Fund is part of an umbrella structure with more than one sub-fund, a crosscontamination or other failure to segregate the portfolio of assets held by the Fund occurs between different series, classes and/or sub-funds;

kk) any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider;

ll) the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider or any parent company (howsoever described) of the Fund, by Moody's Investors Service Inc., or any successor to the ratings

business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division ofMcGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's).

References solely for the purpose of the definition of "Fund Event" to: (i) "Fund" shall include the Fund and any funds in which it invests any of its investible assets from time to time; and (ii) "Fund Interest Units" shall include the Fund Interest Units and the shares or units in any Fund (as defined in paragraph (i) above).

"Fund Event Notice" has the meaning given to that term in paragraph 5 (*Fund Events*) below.

"Fund Interest" means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms, as specified in the applicable Final Terms.

"Fund Interest Performance" means, in respect of the Fund Interest and any Valuation Date or Averaging Date, a rate determined by the Calculation Agent in accordance with the formula specified as such in the applicable Final Terms.

"Fund Interest Unit" means, in respect of the Fund Interest and the related Fund, a share in such Fund or, if Fund Interests in such Fund are not denominated as shares, a notional unit of account of ownership in such Fund in the amount specified in the applicable Final Terms.

"Fund Prospectus" means, in respect of the Fund Interest and the related Fund, the prospectus or other offering document issued by such Fund in connection with the Fund Interest, as amended or supplemented from time to time.

"Fund Reporting Date" means, in respect of the Fund Interest and any Fund Valuation Date, the date on which the Reported Fund Interest Unit Value of the Fund Interest as determined as of such Fund Valuation Date is reported or published.

"Fund Service Provider" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, to that Fund, whether or not specified in the Fund Documents, including without limitation any Fund Adviser, Fund Administrator, Fund Custodian and Additional Fund Service Provider.

"Fund Subscription Date" means, in respect of the Fund Interest, the date specified as such in the applicable Final Terms or, if no such date is specified, the day as of which a request by a Hypothetical Investor for subscription to the Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Fund would be considered effective by such Fund.

"Fund Valuation Date" means, in respect of the Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the value of the Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value.

"Hedge Fund" means any Fund specified as a hedge fund in the applicable Final Terms or, if not so specified, any Fund which the Calculation Agent determines to be a hedge fund or a fund of hedge funds.

"Hedging Party" means the Issuer or any affiliate.

"**Hedge Provider**" means the party (being, inter alios, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Interest Units, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Interest Units as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes.

"Hypothetical Investor" means, unless otherwise specified in the applicable Final Terms, in respect of the Fund Interest, a hypothetical investor in the Fund Interest located in the Hypothetical Investor Jurisdiction and deemed to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the related Fund Subscription Date, an interest in

the relevant Fund in an amount equal to the relevant number of relevant Fund Interest Units or amount of the Fund Interest; (b) in the case of any deemed redemption of the Fund Interest, to have submitted to the relevant Fund on the relevant Redemption Notice Date, a duly completed notice requesting redemption of the relevant number of Fund Interest Units; and (c) in the case of any deemed investment in the Fund Interest, to have submitted, on the Subscription Notice Date, a duly completed notice to the relevant Fund, requesting subscription to the relevant number of Fund Interest Units.

"Hypothetical Investor Jurisdiction" means the jurisdiction specified as such in the applicable Final Terms or, if no jurisdiction is so specified, the Grand Duchy of Luxembourg.

"Initial Fund Interest Unit Price" means, in respect of the Fund Interest, the price per Fund Interest Unit specified in the applicable Final Terms or, if no such price is so specified, the Relevant Fund Interest Unit Price of such Fund Interest Unit as at the Strike Date determined by the Calculation Agent as if the Strike Date was a Valuation Date.

"Key Personnel" means, in respect of any Hedge Fund, the person or persons (if any) so specified, together with their positions, in the applicable Final Terms.

"Market Disruption Event" means any of the following events as determined by the Calculation Agent:

(a) in respect of the Fund Interest, the failure of a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement of such Fund Valuation Date; or

(b) in respect of the Fund Interest, there is a failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Fund Interest Units or amount of the Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests);

(c) the inability (including by reason of illegality) of, or the impracticability for, a Hedging Party to (i) unwind or dispose of any transaction it has entered into, or any asset it holds, in either case for the purpose of hedging its exposure to price variations of the Fund Interest inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest under the Notes, or (ii) realize, recover or remit to any person the proceeds of any such transaction or asset,

provided that if any event would otherwise be both a Market Disruption Event and a Fund Event, such event shall be treated solely as a Fund Event.

"Maximum Allocation to Single Hedge Fund Percentage" means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"Maximum Borrowing Allocation Percentage" means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"Maximum Quarterly Plus Liquidity Allocation Percentage" means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"Minimum Monthly Liquidity Allocation Percentage" means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"Minimum Number of Underlying Hedge Funds" means, in respect of the Fund Interest and the related Fund, the number (if any) specified as such in the applicable Final Terms.

"Minimum Volatility Percentage" means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"NAV Trigger Percentage" means the percentage (if any) specified as such in the applicable Final Terms.

"NAV Trigger Period" means the period (if any) specified as such in the applicable Final Terms.

"Net Present Value" means, in respect of an amount payable on a future date, the discounted value of such amount as calculated by the Calculation Agent in its discretion taking into account the relevant interbank offered rate at the time of such calculation for one month deposits in the relevant currency or such other reference rate as the Calculation Agent determines to be appropriate.

"Potential Adjustment Event" means, in respect of the Fund Interest, any of the following events in the determination of the Calculation Agent:

(a) a subdivision, consolidation or reclassification of the relevant amount of Fund Interest, or a free distribution or dividend of the Fund Interest to existing holders by way of bonus, capitalization or similar issue;

(b) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of the Fund Interest, 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 the Fund Interest, 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 Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in the Fund Interests; or

(e) any other event that may have a diluting or concentrative effect on the theoretical value of the Fund Interest.

"Protected Amount" means the amount (if any) specified as such in the applicable Final Terms.

"Redemption Amount" means, in respect of any Note, an amount determined by the Calculation Agent in the Specified Currency specified in the applicable Final Terms, to be the fair market value of a Note based on the market conditions prevailing at the date of determination reduced to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any Fund Interests, options, swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes) and, if a Fund Event has occurred and a Protected Amount is specified in the applicable Final Terms, then the Redemption Amount shall be no less than the Net Present Value of a payment of the Protected Amount payable on the Maturity Date.

"Redemption Notice Date" means, in respect of the Fund Interest and any Valuation Date or Averaging Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a Hypothetical Investor in the Fund Interest would be permitted, pursuant to the Fund Documents of the related Fund, to submit a redemption notice that would be timely for a redemption as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

"Redemption Proceeds" means, in respect of the relevant number of Fund Interest Units or amount of the Fund Interest, the redemption proceeds that in the determination of the Calculation Agent would be paid by the related Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such number of Fund Interest Units or amount of Fund Interest (for the avoidance of doubt after deduction of any tax, levy, charge, assessment or fee of any nature that, in the determination of the Calculation Agent, would (or would be very likely to) be withheld or deducted from such amount); provided that (a) any such proceeds that would be paid in property other than cash shall be deemed to have a value of zero and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms.

"Redemption Valuation Date" means, in respect of the Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the net asset value

of the Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid notice for redemption on or before the related Redemption Notice Date.

"Reference Price" means the price per Fund Interest Unit determined as provided in the applicable Final Terms as of the Final Valuation Time on the Final Valuation Date or, if no means of determining such price are so provided, the Relevant Fund Interest Unit Price. When calculating the Relevant Fund Interest Unit Price of any Fund Interest Unit for the purposes of determining the Reference Price, the Valuation Time and the Valuation Date will be the Final Valuation Time and the Final Valuation Date, respectively.

"Relevant Fund Interest Unit Price" means, in respect of the Fund Interest and any Valuation Date or Averaging Date, the price per related Fund Interest Unit determined by the Calculation Agent as provided in the applicable Final Terms as of the Valuation Time on the Valuation Date or Averaging Date, as the case may be, or, if no means for determining the Relevant Fund Interest Unit Price are so provided, an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that in the determination of the Calculation Agent would be received by a Hypothetical Investor in the Fund Interest in respect of a redemption of Fund Interest Units targeted to be effected as of the Scheduled Redemption Valuation Date relating to such Valuation Date or Averaging Date, as the case may be.

"Removal Value" means, in respect of the Fund Interest, the value calculated by the Calculation Agent in the same manner as would be used in determining the Relevant Fund Interest Unit Price of Fund Interest Units in the related Fund, but assuming a valid notice requesting redemption of Fund Interest Units in such Fund has been submitted to such Fund on the Fund Business Day next following delivery of the relevant Fund Event Notice.

"Reported Fund Interest Unit Value" means, in respect of the Fund Interest and a Fund Reporting Date relating to the Fund Interest, the value per Fund Interest Unit as of the related Fund Valuation Date or, if the related Fund reports only its aggregate net asset value, the portion of such Fund's aggregate net asset value relating to one Fund Interest Unit, in each case as reported on such Fund Reporting Date by the Fund Service Provider that generally reports such value on behalf of the Fund to its investors or a publishing service.

"Scheduled Fund Valuation Date" means, in respect of the Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of the Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value.

"Scheduled Redemption Payment Date" means, in respect of the Fund Interest and any Scheduled Redemption Valuation Date, the date specified as such in the applicable Final Terms or, if not so specified, the date by which the related Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to an investor that has submitted a timely and valid notice requesting redemption of the Fund Interest as of such Scheduled Redemption Valuation Date.

"Scheduled Redemption Valuation Date" means, in respect of the Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the Fund Interest for the purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms or, if no such date is specified, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date, as the case may be.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Settlement Cycle" means the period specified as such in the applicable Final Terms or, if no period is so specified, two Currency Business Days.

"Strike Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Condition 5(m) (*Consequences of Disrupted Days for Strike Dates*) as set out below.

"Strike Price" means the price (if any) specified as such in the applicable Final Terms.

"Subscription Notice Date" means, in respect of the Fund Interest and any Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a notice to subscribe to the Fund Interest may be submitted pursuant to the Fund Documents of the related Fund and be considered effective as of such Fund Subscription Date. If the applicable Final Terms do not specify a Subscription Notice Date or a Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Issue Date.

"Trade Date" means the date specified as such in the applicable Final Terms

"Valuation Date" means each date specified as such or otherwise determined or provided for in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Condition 5(l) (*Consequences of Disrupted Days for Valuation Dates*) as set out below.

"Valuation Time" means the time on the Valuation Date or Averaging Date specified as such in the applicable Final Terms or, if no time is so specified, the close of business in the Hypothetical Investor Jurisdiction on the relevant Valuation Date or Averaging Date.

3. Postponement of settlement

Unless otherwise specified in the applicable Final Terms, if the Calculation Agent determines on the date which is not later than 3 Currency Business Days prior to any date on which the Final Redemption Amount, any Redemption Amount or any other redemption amounts would otherwise be due to be paid (each a **"Scheduled Settlement Date"**) that a Settlement Postponement Event has occurred, then **"Calculation Agent Adjustment"** (as defined in paragraph 5.5 below) shall apply as if a Fund Event had occurred in respect of which the Calculation Agent had delivered a Fund Event Notice to the Issuer on such date and the adjustments made by the Calculation Agent shall include the postponement of the obligation of the Issuer to pay the Final Redemption Amount, the Redemption Amount or any other redemption amounts, as applicable, until the Postponed Settlement Date and no interest or other amount shall be payable to Noteholders in respect of this postponement.

If the Postponed Settlement Date is the Postponed Settlement Long Stop Date, for the purposes of determining the Final Redemption Amount, the Redemption Amount or any other redemption amounts, as applicable, whether determined by reference to the Reference Price or otherwise, each Fund Interest Unit will be deemed to have a value equal to the redemption proceeds (if any) that a Hypothetical Investor which had submitted a Final Redemption Notice in respect of such Fund Interest Unit would have received in respect of such redemption on or before the Postponed Settlement Long Stop Date.

For the purposes hereof:

(a) a **"Settlement Postponement Event"** shall be deemed to occur if, as determined by the Calculation Agent, a Hypothetical Investor in the Fund Interest which had submitted a Final Redemption Notice in respect of Fund Interest Units would not have received in full the redemption proceeds in respect of such redemptions on or before the date which is 4 Currency Business Days prior to the Scheduled Settlement Date;

(b) the **"Postponed Settlement Date"** means, unless otherwise specified in the applicable Final Terms, which ever is the earlier of (x) the date which is 3 Currency Business Days after the date on which, as determined by the Calculation Agent, such Hypothetical Investor would have received such redemption proceeds in full and (y) the Postponed Settlement Long Stop Date;

(c) the **"Postponed Settlement Long Stop Date"** means, unless otherwise specified in the applicable Final Terms, the date which is 3 months after the Scheduled Settlement Date;

(d) a **"Final Redemption Notice"** means, in respect of a Fund Interest Unit, a valid redemption notice submitted on the last date permitted pursuant to the Fund Documents of the related Fund for a redemption notice that would be timely for

redemption prior to the Scheduled Settlement Date (more specifically, as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date is the last Scheduled Redemption Payment Date prior to the Scheduled Settlement Date).

4. Disrupted Days

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5 (l) as follows:

l. Consequences of Disrupted Days for Valuation Dates

(i) The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been a Valuation Date.

(ii) If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the next succeeding day that is not a Disrupted Day, unless no day that is not a Disrupted Day has occurred prior to the last day of one Cut-off Period following the Scheduled Valuation Date. In that case, (i) the last day of such Cut-off Period shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for the Fund Interest as of the Valuation Time on that deemed Valuation Date.

(iii) In addition, the Calculation Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent.

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5 (m) as follows:

m. Consequences of Disrupted Days for Strike Dates

If any Strike Date is a Disrupted Day, then the provisions set out in Condition 5(l) (*Consequences of Disrupted Days for Valuation Dates*) above shall apply as if such Strike Date was a Valuation Date.

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5 (n) as follows:

n. Consequences of Disrupted Days for Averaging Dates

If Averaging Dates are specified in the applicable Final Terms with respect to a Valuation Date then, notwithstanding any other provisions of these Conditions or Part 4A of the Base Prospectus, the following provisions will apply.

(i) If any Averaging Date is a Disrupted Day, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred prior to one Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Calculation Agent shall determine its good faith estimate of the value for the Fund Interest as of the Valuation Time on that deemed Averaging Date.

(ii) **"Valid Date"** means a Currency Business Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

(iii) In addition, the Calculation Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final

Redemption Amount and/or any Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent.

5. Fund Events

5.1 If at any time the Calculation Agent determines that a Fund Event has occurred and/or is continuing then the Calculation Agent shall provide written notice thereof to the Issuer (a **"Fund Event Notice"**) and, unless otherwise specified in the applicable Final Terms, **"Fund Interest Replacement"** (as described in paragraph 5.4 below) shall apply as the consequence of that Fund Event unless the Calculation Agent determines that the application of **"Fund Interest Replacement"** is not appropriate or commercially reasonable, in which event **"Calculation Agent Adjustment"** (as described in paragraph 5.5 below) shall apply as the consequence of that Fund Event.

5.2 The Calculation Agent shall not have any obligation to monitor the occurrence of a Fund Event nor shall it have any obligation to make a determination that a Fund Event has occurred or is continuing.

5.3 Unless otherwise specified in the applicable Final Terms, upon triggering any consequence for a Fund Event, the mechanics for determining and calculating the valuation of the Fund Interest and any payments under the Notes shall be suspended until completion of, and may be superseded by, such consequence.

5.4 For the purpose of determining the consequence of a Fund Event:

(a) **"Calculation Agent Adjustment"** means that the Calculation Agent shall (i) make such adjustment to account for such Fund Event as it considers appropriate which may include, without limitation, delaying the calculation and payment of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making an adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) would produce a commercially reasonable result, **"Optional Redemption"** will be deemed to apply.

(b) **"Fund Interest Replacement"** means that the Calculation Agent will substitute the Fund Interest with the Successor Fund Interest relating to the Fund Interest, provided that if no Successor Fund has been identified in the manner set forth below within 10 Currency Business Days of the Fund Event Notice, then "Calculation Agent Adjustment" will be deemed to apply. For the purposes hereof:

(i) **"Successor Fund Interest"** means, in respect of the Fund Interest, the related Eligible Fund Interest or, if the applicable Final Terms do not specify any Eligible Fund Interest relating to the Fund Interest, then the Calculation Agent will use commercially reasonable efforts to identify a Successor Fund Interest based on the eligibility criteria specified in the applicable Final Terms or, if the applicable Final Terms do not specify any such eligibility criteria, with characteristics, investment objectives and policies similar to those in effect for the Fund Interest immediately prior to the occurrence of the relevant Fund Event; and

(ii) any substitution of the Successor Fund Interest for the Fund Interest shall be effected at such time and in such manner as specified in the applicable Final Terms or, if the time and manner for substitution of the Successor Fund Interest is not specified in the applicable Final Terms, then the Fund Interest shall be replaced by a number of Fund Interest Units of the Successor Fund Interest with a combined value (as determined by the Calculation Agent) equal to the relevant Removal Value of the applicable number of Fund Interest Units of the Fund Interest. Such replacement shall be effected, from time to time whenever the Removal Value changes, on the date, as determined by the Calculation Agent, on which the Fund issuing the Successor Fund Interest would admit a Hypothetical Investor who, on the Fund Business Day next following the date on which any Removal Value not previously applied toward any Successor Fund Interest would be received by such Hypothetical Investor redeeming out of the relevant amount of Fund Interest, had submitted a valid order to purchase such amount of the Successor Fund Interest; and

(iii) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Fund Interests or the Notes.

(c) **"Optional Redemption"** means that the Issuer shall redeem each Note at its Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Condition 13.

5.5 Notice of the consequences of a Fund Event shall be given to the Noteholders in accordance with Condition 13. Such notice shall (i) identify the relevant Fund Event and contain a summary of the facts constituting such event, (ii) if applicable, identify the Successor Fund Interest and specify the effective date of such substitution, (iii) if applicable, specify adjustments made or expected to be made by the Calculation Agent and (iv) if applicable, specify the date on which the Notes are to be redeemed.

6. Potential Adjustment Events

Following the declaration by any Fund of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest and, if so, will (i) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or any Redemption Amount and/or any other amounts payable under the Notes, the Reference Price, any Relevant Fund Interest Unit Price and, in any case, any other variable relevant to the calculation, valuation, payment or other terms of Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and (ii) determine the effective date(s) of the adjustment(s).

7. Corrections and Adjustments

With the exception of any Adjustments (as defined below) made after the day which is three Currency Business Days prior to a due date for any payment under the Notes calculated by reference to the price or level of a Fund Interest Unit, if the Calculation Agent determines that a Fund adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units that are subject to valuation and such adjustment would be reflected in either an additional payment to such Hypothetical Investor or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor (each an **"Adjustment"**), then the price or level to be used shall be the price or level of the relevant Fund Interest Units as so adjusted.

8. Exchange Traded Funds

If a Fund is specified in the applicable Final Terms to be an ETF, Part 3A or Part 3B, as applicable, shall be deemed as far as practicable to apply to the Notes, subject as provided in the applicable Final Terms.

9. Knock-in Event and Knock-out Event

9.1 *Knock-in Event*

(a) If "Knock-in Event" is specified as applicable in the applicable Final Terms with respect to any payment under the Notes then, unless otherwise specified in such Final Terms, such payment shall be conditional upon the Knock-in Event having occurred.

(b) **"Knock-in Event"** means (unless otherwise specified in the applicable Final Terms) that the Relevant Fund Interest Unit Price of a Fund Interest Unit in the Fund Interest as of the Knock-in Valuation Time on any Knock-in Determination Day is, as specified in the applicable Final Terms, (i) **"greater than"**, (ii) **"greater than or equal to"**, (iii) "less than" or (iv) **"less than or equal to"** the Knock-in Price.

(c) **"Knock-in Price"** means the level, price or amount specified as such in the applicable Final Terms.

(d) **"Knock-in Reference Asset"** means the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-in Reference Asset, the Knock-in Reference Asset will be deemed to be the Fund Interest.

(e) **"Knock-in Determination Day"** means each day specified as such in the applicable Final Terms or, if no such days are specified, each Fund Business Day from and including the Issue Date to and including the final Valuation Date or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the Maturity Date, in each case unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-in Valuation Time on such day. If any such day is a Disrupted Day due to the occurrence of such an event, then the Knock-in Determination Day

shall be the first succeeding day that is not a Disrupted Day, unless each day of the Cut-off Period that starts on the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-in Determination Day is a Disrupted Day. In that case, the last day of such Cut-off Period shall be deemed to be the Knock-in Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level, price or amount of the Knock-in Reference Asset in the same manner that it would determine a level, price or amount of a Fund Interest on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Condition 5(l) (*Consequences of Disrupted Days for Valuation Dates*) above, as the case may be.

(f) **"Knock-in Valuation Time"** means the time on any Knock-in Determination Day specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

9.2 *Knock-out Event*

(g) If "Knock-out Event" is specified as applicable in the applicable Final Terms with respect to any payment under the Notes then, unless otherwise specified in such Final Terms, such payment shall be conditional upon the Knock-out Event not having occurred.

(h) **"Knock-out Event"** means (unless otherwise specified in the applicable Final Terms) that the Relevant Fund Interest Unit Price of a Fund Interest Unit in the Fund Interest as of the Knock-out Valuation Time on any Knock-out Determination Day is, as specified in the applicable Final Terms, (i) **"greater than"**, (ii) **"greater than or equal to"**, (iii) **"less than"** or (iv) **"less than or equal to"** the Knock-out Price.

(i) **"Knock-out Price"** means the level, price or amount specified as such in the applicable Final Terms.

(j) **"Knock-out Reference Asset"** means the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-out Reference Asset, the Knock-out Reference Asset will be deemed to be the Fund Interest.

(k) **"Knock-out Determination Day"** means each day specified as such in the applicable Final Terms or, if no such days are specified, each Fund Business Day from and including the Issue Date to and including the final Valuation Date or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the Maturity Date, in each case unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-out Valuation Time on such day. If any such day is a Disrupted Day due to the occurrence of such an event, then the Knock-out Determination Day shall be the first succeeding day that is not a Disrupted Day, unless each day of the Cut-off Period that starts on the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-out Determination Day is a Disrupted Day. In that case, the last day of such Cut-off Period shall be deemed to be the Knock-out Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level, price or amount of the Knock-out Reference Asset in the same manner that it would determine a level, price or amount of a Fund Interest on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Condition 5(l) (Consequences of Disrupted Days for Valuation Dates), as the case may be.

(l) **"Knock-out Valuation Time"** means the time on any Knock-out Determination Day specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

10. Automatic Early Redemption

10.1 *Consequences of the occurrence of an Automatic Early Redemption Event*

If **"Automatic Early Redemption Event"** is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early

Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

10.2 *Definitions*

"Automatic Early Redemption Amount" means (a) an amount in the Specified Currency (as specified in the applicable Final Terms) specified as such in the applicable Final Terms or, if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

"Automatic Early Redemption Date" means each date specified as such in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day.

"Automatic Early Redemption Event" means (unless otherwise specified in the applicable Final Terms) that, in respect of the Fund Interest, the Relevant Fund Interest Unit Price is, as specified in the applicable Final Terms, (i) **"greater than"**, (ii) **"greater than or equal to"**, (iii) **"less than"** or (iv) **"less than or equal to"** the Automatic Early Redemption Price.

"Automatic Early Redemption Price" means the price specified as such or otherwise determined in the applicable Final Terms.

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

"Automatic Early Redemption Valuation Date" means each date specified as such in the applicable Final Terms or, if such date is not a Currency Business Day the next following Currency Business Day, subject to "Consequences of Disrupted Day(s)" set forth below.

"Automatic Early Redemption Valuation Time" means the time on any Automatic Early Redemption Valuation Date specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify an Automatic Early Redemption Valuation Time, the Automatic Early Redemption Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

"Scheduled Automatic Early Redemption Valuation Date" means, in respect of the Fund Interest, the original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Automatic Early Redemption Valuation Date.

10.3 *Consequences of Disrupted Days*

If any Automatic Early Redemption Valuation Date is a Disrupted Day, then the provisions set out in Condition 5(l) (*Consequences of Disrupted Days for Valuation Dates*) shall apply as if such Automatic Early Redemption Valuation Date was a Valuation Date.

PART 4B: FUND-LINKED NOTES (BASKET OF FUND INTERESTS)

The terms and conditions applicable to Notes linked to a basket of funds shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the **"Conditions"**) and the additional terms and conditions set out below (the **"Fund Basket Linked Conditions"**) in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Conditions and the Fund Basket Linked Conditions, the Fund Basket Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the Fund Basket Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

1. Final Redemption

For the purposes of Condition 5(a) and unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Final Redemption Amount payable per Note in respect of the Maturity Date (subject to postponement of settlement as provided in paragraph 3 (*Postponement of settlement at Maturity Date*) below, if applicable) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the applicable Final Terms and the following provisions.

2. Definitions

"**Additional Fund Event**" means any event specified as such in the applicable Final Terms.

"Additional Fund Service Provider" means, in respect of any Fund, any person or entity (if any) specified as such in the applicable Final Terms.

"Affected Fund Interest" means, at any time, any Fund Interest in respect of which the Calculation Agent has determined that a Fund Event has occurred.

"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 such purposes, "control" of any entity or person means ownership of a majority of the voting power of the entity or person).

"Aggregate NAV Trigger Period" means the period (if any) specified as such in the applicable Final Terms.

"Aggregate NAV Trigger Value" means the value (if any) specified as such in the applicable Final Terms.

"AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000, or the equivalent in any other currency.

"Averaging Date" means, in respect of each Valuation Date, each date (if any) specified as such or otherwise determined as provided in the applicable Final Terms or, if such day is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Condition 5(n) (*Consequences of Disrupted Days for Averaging Dates*) as set out below.

"Basket" means a basket composed of such Fund Interests in such Funds specified in the applicable Final Terms in the relative proportions or number of Fund Interest Units of each Fund Interest specified in the applicable Final Terms, subject to the provisions of paragraph 5 (*Basket Fund Events*) as set out below.

"Basket Fund Event" means, subject as otherwise provided in the Final Terms, that a Fund Event occurs in respect of one or more Funds comprising the Basket which has or, in the event that an Fund Event has occurred in respect of more than one Fund, together have, a Weighting in the Basket equal to or greater than the Basket Trigger Level.

"Basket Fund Event Notice" has the meaning given to that term in paragraph 5 (*Basket Fund Events*) as set out below.

"Basket Trigger Level" has the meaning given to it in the applicable Final Terms or if not so specified, 50 per cent.

"Company" means, in respect of a Fund Interest and the related Fund, the entity (if any) specified as such in the applicable Final Terms (if any).

"Currency Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the Specified Currency specified in the applicable Final Terms. If such Specified Currency is euro, any day that is a TARGET Settlement Day shall be a Currency Business Day.

"Cut-off Period" means, in respect of any date, the period specified in the applicable Final Terms, or if no such period is specified, a period of one calendar year; provided that if a "Final Cut-off Date" is specified in the applicable Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.

"Disrupted Day" means any day on which a Market Disruption Event has occurred or is continuing.

"Eligible Fund Interest" means, in respect of any Affected Fund Interest, the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest (if any) specified as such in the applicable Final Terms.

"ETF" or **"Exchange Traded Fund"** means any Fund specified as an Exchange Traded Fund in the applicable Final Terms or, if not so specified, any Fund which the Calculation Agent determines to be an Exchange Traded Fund.

"Exchange" means, in respect of any ETF, the exchange or quotation system specified for such ETF in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Interest Units in respect of such ETF has temporarily relocated.

"Extraordinary Dividend" means an amount per relevant Fund Interest Unit or other amount of Fund Interest specified or otherwise determined as provided in the applicable Final Terms provided that if no Extraordinary Dividend is specified in or otherwise determined as provided in the applicable Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent.

"Final Cut-off Date" means the date specified as such in the applicable Final Terms.

"Final Valuation Date" means, if there is more than one Valuation Date, the last Valuation Date or, if there is only one Valuation Date, the Valuation Date.

"Final Valuation Time" means, if there are more than one Valuation Date, the Valuation Time in relation to the last Valuation Date or, if there is only one Valuation Date, the Valuation Time.

"Fund" means, in respect of any Fund Interest, unless otherwise specified in the applicable Final Terms, the issuer of, or other legal arrangement (including, if applicable, any relevant class or series) giving rise to, the relevant Fund Interest.

"Fund Administrator" means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities to such Fund according to the Fund Documents.

"Fund Adviser" means, in respect of any Fund, any person specified as such in the applicable Final Terms, or if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund.

"Fund Business Day" means, in respect of any Fund Interest and the related Fund, any day specified as such in the applicable Final Terms or, if no day is so specified, any day on which the Fund or the primary Fund Administrator acting on behalf of the Fund is open for business.

"Fund Custodian" means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund custodian or similar person with the primary custodial responsibilities in relation to such Fund according to the Fund Documents.

"Fund Documents" means, in respect of any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Fund specifying the terms and conditions relating to such Fund Interest (including,

without limitation, the Fund Prospectus) and any additional documents specified in the applicable Final Terms (each an **"Additional Fund Document"**), in each case as amended from time to time.

"Fund Event" means, subject as otherwise provided in the Final Terms, the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

a) the Fund or any Fund Service Provider (i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable) (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamationor merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

b) the occurrence (such occurrence, a "**Merger Event**"), in respect of any relevant Shares and Entity (as defined below), of any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such Entity, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of an Entity that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity or its subsidiaries with or into another entity in which the Entity is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Fund Event effective date, as determined by the Calculation Agent, is on or before the Final Calculation Date. For the purposes of this definition "**Merger Event**" only, "**Shares**" shall mean the applicable Fund Interest Units or the shares of any applicable Fund Service Provider, as the context may require, and "**Entity**" shall mean the applicable Fund or any applicable Fund Service Provider, as the context may require.

c) the occurrence (such occurrence, a "**Tender Offer**") of a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, 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;

d) there exists any litigation against the Fund or a Fund Service Provider which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the Fund Interest Units or the rights or remedies of any investor in such Fund Interest Units;

e) (i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the Fund Interest Units or the rights or remedies of any investor in such Fund Interest Units;

f) (i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Interest Units or on the rights or remedies of any investor in such Fund Interest Units;

g) one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;

h) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests), from those set out in the Fund Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;

i) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the Fund invests, or (ii) the Fund purports to track;

j) a material modification, or any announcement regarding a potential future material modification, of the Fund (including but not limited to a material modification of the Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Interest Units or the Fund or any portfolio of assets to which the Fund Interest Unit relates (either alone or in common with other Fund Interest Units issued by the Fund);

k) the creation by the Fund of any illiquid share class or unit howsoever described;

l) the currency denomination of the Fund Interest Units is amended from that set out in the Fund Documents so that the NAV per Fund Interest Unit is no longer calculated in the same currency as it was as at the Trade Date;

m) if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

n) following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Notes;

o) a material modification of the method of calculating the NAV per Fund Interest Unit;

p) any change in the periodicity of the calculation or the publication of the NAV per Fund Interest Unit;

q) any suspension of the calculation or publication of the NAV per Fund Interest Unit;

r) the occurrence of any event affecting a Fund Interest Unit that, in the sole and absolute discretion of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the NAV per Fund Interest Unit;

s) any of the Fund, any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Interest Unit within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Interest Units unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication

t) any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Interest Unit when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents);

u) the assets under management of the Fund falls below the AUM Level;

v) the Calculation Agent determines, at any time, that the NAV per Fund Interest Unit is inaccurate, or (ii) the reported net asset value of the Fund Interest Units misrepresents the net asset value of the Fund Interest Units;

w) the occurrence (such occurrence, a "**NAV Trigger Event**"), in respect of the Fund Interest Units, of the event that (i) the NAV per Fund Interest Unit has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;

x) in the case of a Hedge Fund only, the audited net asset value of the Fund and/or the NAV per Fund Interest Unit is different from the audited net asset value of the Fund and/or the NAV per Fund Interest Unit communicated by the relevant Fund Service Provider in respect of the same date, (ii) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (iii) the Calculation Agent, in its sole and absolute discretion, does not deem the audited net asset value of the Fund and/or the NAV per Fund Interest Unit to be representative of the actual net asset value of the Fund and/or the NAV per Fund Interest Unit;

y) any failure of the Fund, or its authorised representative, to deliver or publish, or cause to be delivered or published, (i) information that the Fund has agreed to deliver or publish, or agreed to cause to be delivered or published, to the Calculation Agent or Hedge Provider, or (ii) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Interest Unit;

z) any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;

aa) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Notes (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event;

bb) (i) any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a

Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Fund is required by a competent authority to redeem any Fund Interest Units, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Interest Units held in connection with any hedging arrangements relating to the Notes and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund Interest Units or other activities or undertakings of the Fund or on the rights or remedies of any investor in such Fund Interest Units, including any Hedge Provider;

cc) in connection with any hedging activities in relation to the Notes, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Interest Units or that would subject a holder of the Fund Interest Units or the Hedge Provider to any loss), purchase or sell the relevant Fund Interest Units or any underlying assets of or related to the Fund or for the Hedge Provider to maintain such hedging arrangements and, subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

dd) in connection with the hedging activities in relation to the Notes, if the cost to the Hedge Provider in relation to the Notes and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Notes and the related hedging arrangements;

ee) in connection with the hedging activities in relation to the Notes, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary to hedge the Issuer's obligations under the Notes or (ii) to realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem a Fund Interest Unit, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest Unit, or (B) any mandatory redemption, in whole or in part, of such Fund Interest Unit;

ff) at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Notes;

gg) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Interest Units (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit) (ii) the Fund suspends or refuses transfers of any of its Fund Interest Units (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Interest Units), (iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Interest Units by the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Interest Units, if in any case it could in the sole and absolute determination of the Calculation Agent have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, or (iv) a mandatory redemption, in whole or in part, of the Fund Interest Units is imposed by the Fund on any one or more holders of Fund Interest Units at any time for any reason;

hh) the occurrence of any Additional Fund Event;

ii) the Fund or any Fund Service Provider defaults under, materially modifies, or terminates any rebate agreements in place with the Issuer, the Hedge Provider or any of its Affiliates;

jj) if the Fund is part of an umbrella structure with more than one sub-fund, a crosscontamination or other failure to segregate the portfolio of assets held by the Fund occurs between different series, classes and/or sub-funds;

kk) any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider;

ll) the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider or any parent company (howsoever described) of the Fund, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division ofMcGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's).

References solely for the purpose of the definition of "Fund Event" to: (i) "Fund" shall include the Fund and any funds in which it invests any of its investible assets from time to time; and (ii) "Fund Interest Units" shall include the Fund Interest Units and the shares or units in any Fund (as defined in paragraph (i) above).

"Fund Interest" means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms, as specified in the applicable Final Terms.

"Fund Interest Performance" means, in respect of any Fund Interest and any Valuation Date or Averaging Date, a rate determined by the Calculation Agent in accordance with the formula specified as such in the applicable Final Terms.

"Fund Interest Unit" means, in respect of any Fund Interest and the related Fund, a share in such Fund or, if Fund Interests in such Fund are not denominated as shares, a notional unit of account of ownership in such Fund in the amount specified in the applicable Final Terms.

"Fund Prospectus" means, in respect of any Fund Interest and the related Fund, the prospectus or other offering document issued by such Fund in connection with such Fund Interest, as amended or supplemented from time to time.

"Fund Reporting Date" means, in respect of any Fund Interest and Fund Valuation Date, the date on which the Reported Fund Interest Unit Value of such Fund Interest as determined as of such Fund Valuation Date is reported or published.

"Fund Service Provider" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, to that Fund, whether or not specified in the Fund Documents, including without limitation any Fund Adviser, Fund Administrator, Fund Custodian and Additional Fund Service Provider.

"Fund Subscription Date" means, in respect of any Fund Interest, the date specified as such in the applicable Final Terms or, if no such date is specified, the day as of which a request by a Hypothetical Investor for subscription to such Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Fund would be considered effective by such Fund.

"Fund Valuation Date" means, in respect of any Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value.

"Hedge Fund" means any Fund specified as a hedge fund in the applicable Final Terms or, if not so specified, any Fund which the Calculation Agent determines to be a hedge fund or a fund of hedge funds.

"Hedging Party" means the Issuer or any affiliate.

"**Hedge Provider**" means the party (being, inter alios, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Interest Units, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Interest Units as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes.

"Highest Fund Interest Performance" means, in respect of any Valuation Date or Averaging Date, the numerically highest Fund Interest Performance as determined by the Calculation Agent among the Fund Interest Performances determined in respect of such Valuation Date or Averaging Date.

"Highest Performing Fund Interest" means, in respect of any Valuation Date or Averaging Date, the Fund Interest with the Highest Fund Interest Performance as at such Valuation Date or Averaging Date.

"Hypothetical Investor" means, unless otherwise specified in the applicable Final Terms, in respect of any Fund Interest, a hypothetical investor in such Fund Interest located in the Hypothetical Investor Jurisdiction and deemed to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the related Fund Subscription Date, an interest in the relevant Fund in an amount equal to the relevant number of relevant Fund Interest Units or amount of the Fund Interest; (b) in the case of any deemed redemption of such Fund Interest, to have submitted to the relevant Fund on the relevant Redemption Notice Date, a duly completed notice requesting redemption of the relevant number of Fund Interest Units; and (c) in the case of any deemed investment in such Fund Interest, to have submitted, on the Subscription Notice Date, a duly completed notice to the relevant Fund, requesting subscription to the relevant number of Fund Interest Units.

"Hypothetical Investor Jurisdiction" means the jurisdiction specified as such in the applicable Final Terms or, if no jurisdiction is so specified, the Grand Duchy of Luxembourg.

"Initial Fund Interest Unit Price" means, in respect of any Fund Interest, the price per Fund Interest Unit specified in the applicable Final Terms or, if no such price is so specified, the Relevant Fund Interest Unit Price of such Fund Interest Unit as at the Strike Date determined by the Calculation Agent as if the Strike Date was a Valuation Date.

"Key Personnel" means, in respect of any Hedge Fund, the person or persons (if any) so specified, together with their positions, in the applicable Final Terms.

"Lowest Fund Interest Performance" means, in respect of any Valuation Date or Averaging Date, the numerically lowest Fund Interest Performance as determined by the Calculation Agent among the Fund Interest Performances determined in respect of such Valuation Date or Averaging Date.

"Lowest Performing Fund Interest" means, in respect of any Valuation Date or Averaging date, the Fund Interest with the Lowest Fund Interest Performance as at such Valuation Date or Averaging Date.

"Market Disruption Event" means any of the following events as determined by the Calculation Agent:

(a) in respect of any Fund Interest, the failure of a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement of such Fund Valuation Date; or

(b) in respect of any Fund Interest, there is a failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Fund Interest Units or amount of such Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests);

(c) the inability (including by reason of illegality) of, or the impracticability for, a Hedging Party to (i) unwind or dispose of any transaction it has entered into, or any asset it holds, in either case for the purpose of hedging its exposure to price

variations of the Basket inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Basket under the Notes, or (ii) realize, recover or remit to any person the proceeds of any such transaction or asset,

provided that if any event would otherwise be both a Market Disruption Event and a Fund Event, such event shall be treated solely as a Fund Event.

"Maximum Allocation to Single Hedge Fund Percentage" means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"Maximum Borrowing Allocation Percentage" means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"Maximum Quarterly Plus Liquidity Allocation Percentage" means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"Minimum Monthly Liquidity Allocation Percentage" means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"Minimum Number of Underlying Hedge Funds" means, in respect of any Fund Interest and the related Fund, the number (if any) specified as such in the applicable Final Terms.

"Minimum Volatility Percentage" means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

"NAV Trigger Percentage" means the percentage (if any) specified as such in the applicable Final Terms.

"NAV Trigger Period" means the period (if any) specified as such in the applicable Final Terms.

"Net Present Value" means, in respect of an amount payable on a future date, the discounted value of such amount as calculated by the Calculation Agent in its discretion taking into account the relevant interbank offered rate at the time of such calculation for one month deposits in the relevant currency or such other reference rate as the Calculation Agent determines to be appropriate.

"Number of Fund Interest Units" means at any time, in respect of the Fund Interest Units of each Fund comprised in the Basket at such time, the number of such Fund Interest Units per Basket specified or otherwise determined as provided in the applicable Final Terms.

"Potential Adjustment Event" means, in respect of any Fund Interest, any of the following events in the determination of the Calculation Agent:

(a) a subdivision, consolidation or reclassification of the relevant amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalization or similar issue;

(b) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, 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 Interest, 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 Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests; or

(e) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interests.

"Protected Amount" means the amount (if any) specified as such in the applicable Final Terms.

"Redemption Amount" means, in respect of any Note, an amount determined by the Calculation Agent in the Specified Currency specified in the applicable Final Terms, to be the fair market value of a Note based on the market conditions prevailing at the date of determination reduced to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any Fund Interests, options, swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes) and, if a Fund Event has occurred and a Protected Amount is specified in the applicable Final Terms then the Redemption Amount shall be no less than the Net Present Value of a payment of the Protected Amount payable on the Maturity Date.

"Redemption Notice Date" means, in respect of any Fund Interest and any Valuation Date or Averaging Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Fund, to submit a redemption notice that would be timely for a redemption as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

"Redemption Proceeds" means, in respect of the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds that in the determination of the Calculation Agent would be paid by the related Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such number of Fund Interest Units or amount of Fund Interest (for the avoidance of doubt after deduction of any tax, levy, charge, assessment or fee of any nature that, in the determination of the Calculation Agent, would (or would be very likely to) be withheld or deducted from such amount); provided that (a) any such proceeds that would be paid in property other than cash shall be deemed to have a value of zero and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms.

"Redemption Valuation Date" means, in respect of any Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid notice for redemption on or before the related Redemption Notice Date.

"Reference Price" means the price per Basket determined as provided in the applicable Final Terms as of the Final Valuation Time on the Final Valuation Date or, if no means of determining such price are so provided, the sum of the values calculated as of the Final Valuation Time on the Final Valuation Date for each Fund Interest Unit comprising the Basket as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket. When calculating the Relevant Fund Interest Unit Price of any Fund Interest Unit for the purposes of determining the Reference Price, the Valuation Time and the Valuation Date will be the Final Valuation Time and the Final Valuation Date, respectively.

"Relevant Fund Interest Unit Price" means, in respect of a Fund Interest and any Valuation Date or Averaging Date, the price per related Fund Interest Unit determined by the Calculation Agent as provided in the applicable Final Terms as of the Valuation Time on the Valuation Date or Averaging Date, as the case may be, or, if no means for determining the Relevant Fund Interest Unit Price are so provided, an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that in the determination of the Calculation Agent would be received by a Hypothetical Investor in such Fund Interest in respect of a redemption of Fund Interest Units targeted to be effected as of the Scheduled Redemption Valuation Date relating to such Valuation Date or Averaging Date, as the case may be.

"Removal Value" means, in respect of any Affected Fund Interest, the value calculated by the Calculation Agent in the same manner as would be used in determining the Relevant Fund Interest Unit Price of Fund Interest Units in the related Fund, but assuming a valid notice requesting redemption of Fund Interest Units in such Fund has been submitted to such Fund on the Fund Business Day next following delivery of the relevant Basket Fund Event Notice.

"Reported Fund Interest Unit Value" means, in respect of any Fund Interest and a Fund Reporting Date relating to such Fund Interest, the value per Fund Interest Unit as of the related Fund Valuation Date or, if the related Fund reports only its aggregate net asset value, the portion of such Fund's aggregate net asset value relating to one Fund Interest Unit, in each case as reported on such Fund Reporting Date by the Fund Service Provider that generally reports such value on behalf of the Fund to its investors or a publishing service.

"Scheduled Fund Valuation Date" means, in respect of any Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value.

"Scheduled Redemption Payment Date" means, in respect of any Fund Interest and any Scheduled Redemption Valuation Date, the date specified as such in the applicable Final Terms or, if not so specified, the date by which the related Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to an investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date.

"Scheduled Redemption Valuation Date" means, in respect of any Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of such Fund Interest for the purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms or, if no such date is specified, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date, as the case may be.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Settlement Cycle" means the period specified as such in the applicable Final Terms or, if no period is so specified, two Currency Business Days.

"Strike Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Condition 5(m) (*Consequences of Disrupted Days for Strike Dates*) as set out below.

"Strike Price" means the price (if any) specified as such in the applicable Final Terms.

"Subscription Notice Date" means, in respect of any Fund Interest and any Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a notice to subscribe to such Fund Interest may be submitted pursuant to the Fund Documents of the related Fund and be considered effective as of such Fund Subscription Date. If the applicable Final Terms do not specify a Subscription Notice Date or a Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Issue Date.

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

"Valuation Date" means each date specified as such or otherwise determined or provided for in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Condition 5(l) (*Consequences of Disrupted Days for Valuation Dates*) as set out below.

"Valuation Time" means the time on the Valuation Date or Averaging Date specified as such in the applicable Final Terms or, if no time is so specified, the close of business in the Hypothetical Investor Jurisdiction on the relevant Valuation Date or Averaging Date.

"Weighting" has the meaning specified as such in the applicable Final Terms.

3. Postponement of settlement

Unless otherwise specified in the applicable Final Terms, if the Calculation Agent determines on the date which is not later than 3 Currency Business Days prior to any date on which the Final Redemption Amount, any Redemption Amount or any other redemption amounts would otherwise be due to be paid (each a **"Scheduled Settlement Date"**) that a Settlement Postponement Event has occurred, then "Calculation Agent Adjustment" (as defined in paragraph 5.5 below) shall apply as if a Basket Fund Event had occurred in respect of which the Calculation Agent had delivered a Basket Fund Event Notice to the Issuer on such date and the adjustments made by the Calculation Agent shall include the postponement of the obligation of the Issuer to pay the Final Redemption Amount, the Redemption Amount or any other redemption amounts, as applicable, until the Postponed Settlement Date and no interest or other amount shall be payable to Noteholders in respect of this postponement.

If the Postponed Settlement Date is the Postponed Settlement Long Stop Date, for the purposes of determining the Final Redemption Amount, the Redemption Amount or any other redemption amounts, as applicable, whether determined by reference to the Reference Price or otherwise, each Long Stop Date Fund Interest Unit (if any) comprising the Basket will be deemed to have a value equal to the redemption proceeds (if any) that a Hypothetical Investor which had submitted a Final Redemption Notice in respect of such Long Stop Date Fund Interest Unit would have received in respect of such redemption on or before the Postponed Settlement Long Stop Date.

For the purposes hereof:

(a) a **"Settlement Postponement Event"** shall be deemed to occur if, as determined by the Calculation Agent, a Hypothetical Investor which had submitted a Final Redemption Notice in respect of each Fund Interest Unit comprised in the Basket would not have received in full the redemption proceeds in respect of such redemptions on or before the date which is 4 Currency Business Days prior to the Scheduled Settlement Date;

(b) the **"Postponed Settlement Date"** means, unless otherwise specified in the applicable Final Terms, whichever is the earlier of (x) the date which is 3 Currency Business Days after the date on which, as determined by the Calculation Agent, such Hypothetical Investor would have received such redemption proceeds in full and (y) the Postponed Settlement Long Stop Date;

(c) the **"Postponed Settlement Long Stop Date"** means, unless otherwise specified in the applicable Final Terms, the date which is 3 months after the Scheduled Settlement Date;

(d) **"Long Stop Date Fund Interest Unit"** means any Fund Interest Unit in respect of which, if a Hypothetical Investor had submitted a Final Redemption Notice in respect of such Fund Interest Unit, such Hypothetical Investor would not have received in full the redemption proceeds in respect of such redemption on or before the Postponed Settlement Long Stop Date;

(e) a **"Final Redemption Notice"** means, in respect of a Fund Interest Unit, a valid redemption notice submitted on the last date permitted pursuant to the Fund Documents of the related Fund for a redemption notice that would be timely for redemption prior to the Scheduled Settlement Date (more specifically, as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date is the last Scheduled Redemption Payment Date prior to the Scheduled Settlement Date).

4. Disrupted Days

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5 (l) as follows:

l. Consequences of Disrupted Days for Valuation Dates

(a) The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been a Valuation Date.

(b) If any Valuation Date is a Disrupted Day, then the Valuation Date for each Fund Interest not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund Interest affected by the occurrence of a Disrupted Day shall be the first succeeding day that is not a Disrupted Day relating to that Fund Interest, unless no day that is not a Disrupted Day has occurred prior to the last day of one Cut-off Period following the Scheduled

Valuation Date. In that case, (i) the last day of such Cut-off Period shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Valuation Date.

(c) In addition, the Calculation Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent.

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5 (m) as follows:

m. Consequences of Disrupted Days for Strike Dates

If any Strike Date is a Disrupted Day, then the provisions set out in Condition 5(l) (*Consequences of Disrupted Days for Valuation Dates*) above shall apply as if such Strike Date was a Valuation Date.

For the purposes of the Notes, Condition 5 shall be amended by the addition of a new Condition 5 (n) as follows:

n. Consequences of Disrupted Days for Averaging Dates

If Averaging Dates are specified in the applicable Final Terms with respect to a Valuation Date then, notwithstanding any other provisions of these Conditions or Part 4B of the Base Prospectus, the following provisions will apply.

(i) If any Averaging Date is a Disrupted Day, the Averaging Date for each Fund Interest not affected by the occurrence of a Disrupted Day shall be the date specified in the applicable Final Terms as that Averaging Date and the Averaging Date for any Fund Interest affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Interest. If the first succeeding Valid Date has not occurred prior to one Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date.

(ii) **"Valid Date"** means a Currency Business Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

(iii) In addition, the Calculation Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent.

5. Basket Fund Events

5.1 If at any time the Calculation Agent determines that a Basket Fund Event has occurred and/or is continuing then the Calculation Agent shall provide written notice thereof to the Issuer (a **"Basket Fund Event Notice"**) and, unless otherwise specified in the applicable Final Terms, "Fund Interest Replacement" (as described in paragraph 5.4 below) shall apply as the consequence of that Basket Fund Event unless the Calculation Agent determines that the application of "Fund Interest Replacement" is not appropriate or commercially reasonable, in which event "Calculation Agent Adjustment" (as described in paragraph 5.5 below) shall apply as the consequence of that Basket Fund Event.

5.2 The Calculation Agent shall not have any obligation to monitor the occurrence of a Basket Fund Event nor shall it have any obligation to make a determination that a Basket Fund Event has occurred or is continuing.

5.3 Unless otherwise specified in the applicable Final Terms, upon triggering any consequence for a Basket Fund Event, the mechanics for determining and calculating the valuation of any Affected Fund Interest and any payments under the Notes shall be suspended until completion of, and may be superseded by, such consequence.

5.4 For the purpose of determining the consequence of a Basket Fund Event:

(a) **"Calculation Agent Adjustment"** means that the Calculation Agent shall (i) make such adjustment to account for such Basket Fund Event as it considers appropriate which may include, without limitation, delaying the calculation and payment of the Final Redemption Amount and/or any Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making an adjustment to the calculation of the Final Redemption Amount and/or any Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) would produce a commercially reasonable result, "Optional Redemption" will be deemed to apply.

(b) **"Fund Interest Replacement"** means that the Calculation Agent will substitute any Affected Fund Interest with the Successor Fund Interest relating to such Affected Fund Interest, provided that if no Successor Fund has been identified in the manner set forth below within 10 Currency Business Days of the Basket Fund Event Notice, then "Calculation Agent Adjustment" will be deemed to apply. For the purposes hereof:

(i) **"Successor Fund Interest"** means, in respect of any Affected Fund Interest, the related Eligible Fund Interest or, if the applicable Final Terms do not specify any Eligible Fund Interest relating to such Affected Fund Interest, then the Calculation Agent will use commercially reasonable efforts to identify a Successor Fund Interest based on the eligibility criteria specified in the applicable Final Terms or, if the applicable Final Terms do not specify any such eligibility criteria, with characteristics, investment objectives and policies similar to those in effect for the Affected Fund Interest immediately prior to the occurrence of the relevant Basket Fund Event; and

(ii) any substitution of the Successor Fund Interest for the Affected Fund Interest shall be effected at such time and in such manner as specified in the applicable Final Terms or, if the time and manner for substitution of the Successor Fund Interest is not specified in the applicable Final Terms, then the Affected Fund Interest shall be replaced by a number of Fund Interest Units of the Successor Fund Interest with a combined value (as determined by the Calculation Agent) equal to the relevant Removal Value of the applicable number of Fund Interest Units of the Affected Fund Interest. Such replacement shall be effected, from time to time whenever the Removal Value changes, on the date, as determined by the Calculation Agent, on which the Fund issuing the Successor Fund Interest would admit a Hypothetical Investor who, on the Fund Business Day next following the date on which any Removal Value not previously applied toward any Successor Fund Interest would be received by such Hypothetical Investor redeeming out of the relevant amount of Affected Fund Interest, had submitted a valid order to purchase such amount of the Successor Fund Interest; and

(iii) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Fund Interests or the Notes.

(c) **"Optional Redemption"** means that the Issuer shall redeem each Note at its Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Condition 13.

5.5 Notice of the consequences of a Basket Fund Event shall be given to the Noteholders in accordance with Condition 13. Such notice shall (i) identify the Affected Fund Interest (if applicable) and the relevant Basket Fund Event and contain a summary of the facts constituting such event, (ii) if applicable, identify the Successor Fund Interest and specify the effective date of such substitution, (iii) if applicable, specify adjustments made or expected to be made by the Calculation Agent and (iv) if applicable, specify the date on which the Notes are to be redeemed.

6. Potential Adjustment Events

Following the declaration by any Fund of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest and, if so, will (i) make the corresponding adjustment(s), if any, to any one or more

of the Final Redemption Amount and/or any Redemption Amount and/or any other amounts payable under the Notes, the Reference Price, any Relevant Fund Interest Unit Price and, in any case, any other variable relevant to the calculation, valuation, payment or other terms of Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and (ii) determine the effective date(s) of the adjustment(s).

7. Corrections and Adjustments

With the exception of any Adjustments (as defined below) made after the day which is three Currency Business Days prior to a due date for any payment under the Notes calculated by reference to the price or level of any Fund Interest Unit, if the Calculation Agent determines that a Fund adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units that are subject to valuation and such adjustment would be reflected in either an additional payment to such Hypothetical Investor or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor (each an **"Adjustment"**), then the price or level to be used shall be the price or level of the relevant Fund Interest Units as so adjusted.

8. Exchange Traded Funds

If a Fund is specified in the applicable Final Terms to be an ETF, Part 3A or Part 3B, as applicable, shall be deemed as far as practicable to apply to the Notes, subject as provided in the applicable Final Terms.

9. Knock-in Event and Knock-out Event

9.1 *Knock-in Event*

(a) If "Knock-in Event" is specified as applicable in the applicable Final Terms with respect to any payment under the Notes then, unless otherwise specified in such Final Terms, such payment shall be conditional upon the Knock-in Event having occurred.

(b) **"Knock-in Event"** means (unless otherwise specified in the applicable Final Terms) that the amount for the Basket determined by the Calculation Agent as the sum of the values for each Fund Interest Unit comprising the Basket as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket in each case as of the Knock-in Valuation Time on any Knock-in Determination Day is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price.

(c) **"Knock-in Price"** means the level, price or amount specified as such in the applicable Final Terms.

(d) **"Knock-in Reference Asset"** means the basket or interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-in Reference Asset, the Knock-in Reference Asset will be deemed to be the Basket.

(e) **"Knock-in Determination Day"** means each day specified as such in the applicable Final Terms or, if no such days are specified, each Fund Business Day from and including the Issue Date to and including the final Valuation Date or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the Maturity Date, in each case unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-in Valuation Time on such day. If any such day is a Disrupted Day due to the occurrence of such an event, then the Knock-in Determination Day shall be the first succeeding day that is not a Disrupted Day, unless each day of the Cut-off Period that starts on the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-in Determination Day is a Disrupted Day. In that case, the last day of such Cut-off Period shall be deemed to be the Knock-in Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level, price or amount of the Knock-in Reference Asset in the same manner that it would determine a level, price or amount of a Fund Interest or basket on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of paragraph 4.1 (*Consequences of Disrupted Days for Valuation Dates*) above, as the case may be.

(f) **"Knock-in Valuation Time"** means the time on any Knock-in Determination Day specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in

Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

9.2 *Knock-out Event*

(a) If "Knock-out Event" is specified as applicable in the applicable Final Terms with respect to any payment under the Notes then, unless otherwise specified in such Final Terms, such payment shall be conditional upon the Knock-out Event not having occurred.

(b) **"Knock-out Event"** means (unless otherwise specified in the applicable Final Terms) that the amount for the Basket determined by the Calculation Agent as the sum of the values for each Fund Interest Unit comprising the Basket as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket in each case as of the Knock-out Valuation Time on any Knock-out Determination Day is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price.

(c) **"Knock-out Price"** means the level, price or amount specified as such in the applicable Final Terms.

(d) **"Knock-out Reference Asset"** means the basket or interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-out Reference Asset, the Knock-out Reference Asset will be deemed to be the Basket.

(e) **"Knock-out Determination Day"** means each day specified as such in the applicable Final Terms or, if no such days are specified, each Fund Business Day from and including the Issue Date to and including the final Valuation Date or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the Maturity Date, in each case unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-out Valuation Time on such day. If any such day is a Disrupted Day due to the occurrence of such an event, then the Knock-out Determination Day shall be the first succeeding day that is not a Disrupted Day, unless each day of the Cut-off Period that starts on the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-out Determination Day is a Disrupted Day. In that case, the last day of such Cut-off Period shall be deemed to be the Knock-out Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level, price or amount of the Knock-out Reference Asset in the same manner that it would determine a level, price or amount of a Fund Interest or basket on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Condition 5(l) (*Consequences of Disrupted Days for Valuation Dates*), as the case may be.

(f) **"Knock-out Valuation Time"** means the time on any Knock-out Determination Day specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

10. Automatic Early Redemption

10.1 *Consequences of the occurrence of an Automatic Early Redemption Event*

If "Automatic Early Redemption Event" is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

10.2 *Definitions*

"Automatic Early Redemption Amount" means (a) an amount in the Specified Currency (as specified in the applicable Final Terms) specified as such in the applicable Final Terms or, if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

"Automatic Early Redemption Date" means each date specified as such in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day.

"Automatic Early Redemption Event" means (unless otherwise specified in the applicable Final Terms) that the Basket Price is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price.

"Automatic Early Redemption Price" means the price per Basket specified as such or otherwise determined in the applicable Final Terms.

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

"Automatic Early Redemption Valuation Date" means each date specified as such in the applicable Final Terms or, if such date is not a Currency Business Day the next following Currency Business Day, subject to "Consequences of Disrupted Day(s)" set forth below.

"Automatic Early Redemption Valuation Time" means the time on any Automatic Early Redemption Valuation Date specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify an Automatic Early Redemption Valuation Time, the Automatic Early Redemption Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

"Basket Price" means, in respect of any Automatic Early Redemption Valuation Date, an amount for the Basket determined by the Calculation Agent as the sum of the values for each Fund Interest Unit comprising the Basket as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket in each case as of the Automatic Early Redemption Valuation Time on any Automatic Early Redemption Valuation Date.

"Scheduled Automatic Early Redemption Valuation Date" means, in respect of any Fund Interest, the original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Automatic Early Redemption Valuation Date.

10.3 *Consequences of Disrupted Days*

If any Automatic Early Redemption Valuation Date is a Disrupted Day, then the provisions set out in Condition 5 (*Consequences of Disrupted Days for Valuation Dates*) above shall apply as if such Automatic Early Redemption Valuation Date was a Valuation Date.

PART 5: CREDIT-LINKED NOTES

The terms and conditions applicable to Credit-Linked Notes shall comprise the Terms and Conditions of the Medium Term Notes set out in Part 1 (the "**Principal Conditions**") and the additional Terms and Conditions set out below (the "**Credit-Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Principal Conditions and the Credit-Linked Conditions set out below, the Credit-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Credit-Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

Credit-Linked Conditions

The following terms shall supplement and amend the Principal Conditions if this Part 5 is stated to be applicable in the relevant Final Terms:

1. General

(a) Credit Terms

The Final Terms shall specify:

(i) the type of Credit-Linked Notes, being Single Reference Entity CLNs, Nth-to-Default CLNs, Linear Basket CLNs or such other type as may be specified in the Final Terms;

(ii) the Settlement Method and, where Auction Settlement applies, the applicable Fallback Settlement Method;

(iii) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;

(iv) the Reference Obligation(s) (if any) in respect of each Reference Entity;

(v) the Trade Date and the Scheduled Maturity Date;

(vi) the Transaction Type applicable to each Reference Entity; and

(vii) the Reference Entity Notional Amount in respect of each Reference Entity.

(b) Physical Settlement Matrix

Where a Transaction Type is specified in the Final Terms in respect of any Reference Entity, then the provisions of these Credit-Linked Conditions shall apply with respect to such Reference Entity in accordance with the Physical Settlement Matrix as it applies to such Transaction Type, as though such Physical Settlement Matrix were set out in full in the Final Terms.

(c) Additional Provisions

If, in accordance with the specified Transaction Type or otherwise, any Additional Provisions are applicable, these Credit-Linked Conditions shall take effect subject to the provisions thereof.

(d) Linear Basket CLNs

If the Credit-Linked Notes are Linear Basket CLNs, then the provisions of these Credit-Linked Conditions relating to redemption of Credit-Linked Notes following satisfaction of the Conditions to Settlement, extension of maturity of Credit-Linked Notes on delivery of an Extension Notice, cessation or suspension of accrual of interest or accrual and payment of interest following the Scheduled Maturity Date shall apply separately with respect to each Reference Entity and a principal amount of each Credit-Linked Note corresponding to the Reference Entity Notional Amount divided by the number of Credit-Linked Notes then in issue. The remaining provisions of these Credit-Linked Conditions shall be construed accordingly.

2. Redemption

(a) Redemption absent Satisfaction of Conditions to Settlement

The Issuer will redeem each Credit-Linked Note on the related CLN Maturity Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to the outstanding principal amount of such Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) (together with interest, if any, payable thereon) unless:

(i) the Credit-Linked Notes have been previously redeemed or purchased and cancelled in full (including pursuant to Credit-Linked Conditions 2(b) or (c)); or

(ii) the Conditions to Settlement have been satisfied, in which event the Issuer shall redeem the Credit-Linked Notes in accordance with Credit-Linked Condition 2(b).

(b) Redemption following Satisfaction of Conditions to Settlement

Upon satisfaction of the Conditions to Settlement in relation to any Reference Entity, each Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) will be subject to redemption:

(i) if the applicable Settlement Method is Auction Settlement, by payment of its pro rata share of the Auction Settlement Amount on the Auction Settlement Date, unless a Fallback Settlement Event occurs, in which event the Issuer shall perform its respective payment and/or delivery obligations in accordance with the applicable Fallback Settlement Method. If the Conditions to Settlement with respect to a new Credit Event are satisfied following the occurrence of a Fallback Settlement Event with respect to a first Credit Event and no Fallback Settlement Event occurs with respect to such new Credit Event, the Issuer shall, if it so elects on or prior to a related Valuation Date or Delivery Date, redeem the Credit-Linked Notes in accordance with this Credit-Linked Condition 2(b)(i) by Auction Settlement;

(ii) if the applicable Settlement Method is Physical Settlement, in accordance with Credit-Linked Condition 4; and

(iii) if the applicable Settlement Method is Cash Settlement, by payment of its pro rata share of the Cash Settlement Amount on the Cash Settlement Date.

Where the Notes are Nth-to-Default CLNs and the Conditions to Settlement are satisfied with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine in its sole discretion the order in which such Conditions to Settlement were satisfied.

(c) Redemption following a Merger Event

If this Credit-Linked Condition 2(c) is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with Condition 13 and redeem all but not some only of the Credit-Linked Notes at the Redemption Amount or Early Redemption Amount (as specified in the applicable Final Terms) on the Merger Event Redemption Date.

(d) Suspension of Obligations

If a Credit Event Resolution Request Date occurs in relation to any Reference Entity then, unless the Issuer otherwise elects by notice to the Calculation Agent and the Noteholders, any obligation of the Issuer to redeem any Credit-Linked Note (including pursuant to Credit-Linked Condition 2(b)) or pay any amount of interest which would otherwise be due thereon shall, insofar as it relates to the relevant Reference Entity, be and remain suspended until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved with respect to such Reference Entity:

(i) the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date"; or

(ii) not to determine such matters.

During such suspension period, the Issuer shall not be obliged to, nor entitled to, take any action in connection with the settlement of the Credit-Linked Notes, in each case insofar as they relate to the relevant Reference Entity. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved the matters set out in paragraphs (i) and (ii) above, such suspension shall terminate and any obligations so suspended shall resume on the basis of such Resolution on the CLN

Business Day following such public announcement by ISDA, with the Issuer having the benefit of the full day notwithstanding when the suspension began. Any amount of interest so suspended shall, subject always to Credit-Linked Condition 3(a), become due on the date determined by the Calculation Agent, in its sole discretion but not later than fifteen Business Days following such public announcement by ISDA.

For the avoidance of doubt, no interest shall accrue on any payment of interest or principal which is deferred in accordance with this Credit-Linked Condition 2(d).

(e) Miscellaneous provisions relating to Redemption

If the Credit-Linked Notes are partially redeemed, the relevant Credit-Linked Notes or, if the Credit-Linked Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption. Upon such partial redemption, the outstanding principal amount of each Note shall be reduced for all purposes (including accrual of interest thereon) accordingly.

Redemption of any Credit-Linked Note in accordance with Credit-Linked Condition 2, together with payment of interest, if any, due thereon shall discharge all or the relevant portion of the obligations of the Issuer in relation thereto.

Any amount payable under Credit-Linked Condition 2(b) shall be rounded downwards to the nearest sub-unit of the relevant currency.

3. Interest

(a) Cessation of Interest Accrual

Upon the occurrence of an Event Determination Date in respect of any Reference Entity, interest on such Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) shall cease to accrue with effect from and including either:

(i) the Interest Payment Date immediately preceding such Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date); or

(ii) if so specified in the Final Terms, such Event Determination Date.

(b) Interest following Scheduled Maturity Date

Subject always to Credit-Linked Condition 3(a), if an Extension Notice has been given, each Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) which is outstanding following the Scheduled Maturity Date shall continue to bear interest from (and including) the Scheduled Maturity Date to (but excluding) the related CLN Maturity Date at a rate of interest equal to either:

(i) the rate that the Issuer would pay to an independent customer in respect of overnight deposits in the currency of the Credit-Linked Notes; or

(ii) such other rate as shall be specified for such purpose in the Final Terms.

(c) Interest Payment Dates

If the Credit-Linked Notes are redeemed pursuant to the Principal Conditions or these Credit-Linked Conditions, the Scheduled Maturity Date, the CLN Maturity Date (if not the Scheduled Maturity Date), the Auction Settlement Date, the Cash Settlement Date or the last Delivery Date, as the case may be, shall be an Interest Payment Date in respect of each Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof) and the Issuer shall pay any interest that has accrued in respect of each Credit-Linked Note (or, as applicable thereof) on such Interest Payment Date.

4. Physical Settlement

(a) Delivery and payment

If Physical Settlement applies to any Credit-Linked Note, then, upon the satisfaction of the related Conditions to Settlement, the Issuer shall, on or prior to the related Physical Settlement Date and subject to Credit-Linked Conditions 4(b), 4(c) and 4(f), redeem such Credit-Linked Note (or, in the case of Linear Basket CLNs, the relevant portion thereof), respectively, by:

(i) Delivering a pro rata share of the Deliverable Obligations specified in the related Notice of Physical Settlement; and

(ii) paying such Note's pro rata portion of the related Physical Settlement Adjustment Rounding Amount.

(b) Partial Cash Settlement Due to Impossibility or Illegality

If, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to Deliver or, due to an event beyond the control of the Issuer or any Noteholder, it is impossible or illegal for the Issuer or the relevant Noteholder to Deliver or accept Delivery of any of the Deliverable Obligations specified in a Notice of Physical Settlement on the related Physical Settlement Date, then on such date the Issuer shall Deliver any of the Deliverable Obligations specified in the Notice of Physical Settlement for which it is possible and legal to take Delivery. If any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Partial Cash Settlement shall apply with respect to such Undeliverable Obligations and, accordingly, the Issuer shall pay the Noteholders an amount equal to the Partial Cash Settlement Amount to be apportioned pro rata amongst the Noteholders on the Partial Cash Settlement Date.

(c) Non-Delivery of Deliverable Obligations

If the Issuer does not Deliver any Deliverable Obligation specified in a Notice of Physical Settlement other than as a result of an event or circumstance contemplated in Credit-Linked Condition 4(b) above (including following the occurrence of a Hedge Disruption Event), such failure shall not constitute an Event of Default for the purpose of the Notes and the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans until the Extended Physical Settlement Date.

If, as at the relevant Extended Physical Settlement Date, any such Deliverable Obligations have not been Delivered, then Partial Cash Settlement shall apply with respect to such Deliverable Obligations and the Issuer shall pay to the Noteholders an amount equal to the Partial Cash Settlement Amount to be apportioned pro rata amongst the Noteholders on the Partial Cash Settlement Date.

(d) Aggregation and Rounding

Where a Noteholder holds Credit-Linked Notes in an aggregate nominal amount greater than the Specified Denomination, the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of the Credit-Linked Notes shall be aggregated for the purposes of this Credit-Linked Condition 4. If the nominal amount of the Deliverable Obligations to be Delivered in respect of each Credit-Linked Note to be redeemed pursuant to this Credit-Linked Condition 4(d) on any occasion is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable Obligations then the nominal amount of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, to zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by the Issuer or such other agent as may be appointed by the Issuer for such purpose and, if they are so sold, the Issuer shall make payment in respect of each Credit-Linked Note in an amount equal to its pro rata share of the related net sale proceeds as soon as reasonably practicable following receipt thereof.

(e) Delivery and Fees

The Delivery of any of the Deliverable Obligations pursuant to the provisions of this Credit-Linked Condition 4 shall be made in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such Delivery. Subject as set out in the definition of "Deliver":

(i) any recordation, processing or similar fee reasonably incurred by the Issuer and/or any of its affiliates and payable to the agent under a Loan in connection with an assignment (where Deliverable Obligations include Assignable Loans or Consent Required Loans) shall be payable by the relevant Noteholders, and if any stamp tax is payable in connection with the Delivery of any Deliverable Obligations, payment thereof shall be made by the relevant Noteholders; and

(ii) any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the Noteholders or the Issuer, as appropriate, determined in accordance with then current market conventions.

Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Noteholders have been paid to the satisfaction of the Issuer.

(f) Physical Delivery and Asset Transfer Notices

A Noteholder will not be entitled to any of the amounts or assets specified as being due to it in this Credit-Linked Condition 4(f) upon the satisfaction of the Conditions to Settlement unless it has presented or surrendered (as is appropriate) the relevant Credit-Linked Note and delivered an Asset Transfer Notice in accordance with the provisions set out below. For so long as the Credit-Linked Notes are held in any clearing system, any communication from such clearing system on behalf of the Noteholder containing the information required in an Asset Transfer Notice will be treated as an Asset Transfer Notice. For as long as Bearer Notes are represented by a Global Note, surrender of Credit-Linked Notes for such purpose will be effected by presentation of the Global Note and its endorsement to note the principal amount of Credit-Linked Notes to which the relevant Asset Transfer Notice relates.

(i) Asset Transfer Notices

In relation to Credit-Linked Notes to which Physical Settlement applies (including as Fallback Settlement Method) which are to be redeemed by Delivery of their pro rata share of the Deliverable Obligations, in order to obtain Delivery of such Deliverable Obligations in respect of any Credit-Linked Note, the relevant Noteholder must:

(X) if such Credit-Linked Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and any entity appointed by the Issuer to Deliver, as the case may be, the Entitlement on its behalf (the "**Delivery Agent**") not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement; and

(Y) if such Credit-Linked Note is in definitive form, the relevant Noteholder must deliver (i) if this Credit-Linked Note is a Bearer Note, to any Paying Agent or (ii) if this Credit-Linked Note is a Registered Note, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent and the Delivery Agent (as defined above) not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement.

For the purposes hereof, "**Cut-off Date**" means the date specified as such in the applicable Final Terms or, if not so specified, the first Business Day immediately preceding the Physical Settlement Date.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Credit-Linked Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Credit-Linked Note is in definitive form, in writing.

If a Credit-Linked Note is in definitive form, such Credit-Linked Note must be delivered together with the duly completed Asset Transfer Notice. In the event that delivery of a Credit-Linked Note or, if applicable, a Deliverable Obligation in physical form is restricted or prohibited in any jurisdiction, alternative arrangements will be made and communicated to the relevant Noteholder at the relevant time for delivery of such Credit-Linked Note by, or such Deliverable Obligation to, such Noteholder.

"**Asset Transfer Notice**" means a notice which shall:

(i) specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer or Delivery Agent may obtain details for the delivery or Delivery of the Deliverable Obligations;

(ii) specify the series number of the Credit-Linked Notes and the number of Credit-Linked Notes which are the subject of such notice;

(iii) in the case of Credit-Linked Notes represented by a Global Note, specify the nominal amount of Credit-Linked Notes which are the subject of such notice and the number of the Noteholder's account at the relevant clearing system to be debited with such Credit-Linked Notes and irrevocably instruct and authorise the relevant clearing system to debit the relevant Noteholder's account with such Credit-Linked Notes on or before the Physical Settlement Date;

(iv) include an undertaking to pay all expenses including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes (the "**Expenses**") and, in the case of Credit-Linked Notes represented by a Global Note, an authority to the relevant clearing system to debit a specified account of the Noteholder with the relevant clearing system in respect thereof and to pay such Expenses;

(v) include such details as are required for Delivery of the Deliverable Obligations which may include account details and/or the name and address of any person(s) into whose name evidence of the Deliverable Obligations is to be registered and/or any bank, broker or agent to whom documents evidencing the Deliverable Obligations are to be Delivered and specify the name and number of the Noteholder's account to be credited with any cash payable by the Issuer, including pursuant to Credit-Linked Condition 4;

(vi) certify that the beneficial owner of each Credit-Linked Note is not a U.S. person (as defined in the Asset Transfer Notice), the Credit-Linked Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;

(vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) Verification of the Noteholder

In the case of Credit-Linked Notes represented by a Global Note, upon receipt of an Asset Transfer Notice, the relevant clearing system shall verify that the person delivering the Asset Transfer Notice is the holder of the Credit-Linked Notes described therein according to its records. Subject thereto, the relevant clearing system will confirm to the Principal Paying Agent the series number and number of Credit-Linked Notes the subject of such notice, the relevant account details and the details for the delivery of the Deliverable Obligations in respect of each Credit-Linked Note. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer and any Delivery Agent thereof. The relevant clearing system will on or before the Settlement Date debit the securities account of the relevant Noteholder with the relevant Credit-Linked Notes.

(3) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of Credit-Linked Notes represented by a Global Note, by the relevant clearing system or, in the case of Credit-Linked Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, or in each case in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Guarantor (if applicable), the Principal Paying Agent(s), any Delivery Agent and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Paying Agent and any Delivery Agent immediately after being delivered or sent as provided in paragraph (i) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Credit-Linked Notes represented by a Global Note, the relevant clearing system, or, in the case of Credit-Linked Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, or in each case in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant clearing system, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Credit-Linked Notes which are the subject of such notice.

The Deliverable Obligations will be Delivered at the risk of the relevant Noteholder, in the manner provided below on the Physical Settlement Date, provided that the Asset Transfer Notice is duly delivered as provided above on or prior to the Cut-Off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Paying Agent and the Delivery Agent, on or prior to the Cut-Off Date, then the Deliverable Obligations will be Delivered as soon as practicable after the date fixed for redemption (in which case, such date of delivery shall be the Physical Settlement Date) at the risk of such Noteholder in the manner provided below. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such delivery date falling after the originally designated Physical Settlement Date and no liability in respect thereof shall attach to the Issuer or the Guarantor (if applicable), if any.

The Issuer (or any Delivery Agent on its behalf) shall, at the risk of the relevant Noteholder, Deliver the Deliverable Obligations in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms. All Expenses arising from the Delivery of the Deliverable Obligations in respect of such Credit-Linked Notes shall be for the account of the relevant Noteholder and no Delivery of Deliverable Obligations shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

(4) General

For such period of time after Delivery of Deliverable Obligations as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of such Deliverable Obligations (the "**Intervening Period**"), none of the Issuer, the Guarantor (if applicable), the Paying Agents, the Registrar, any Delivery Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such Deliverable Obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such Deliverable Obligations.

5. Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics

(a) Obligation Characteristics

If the Obligation Characteristic "Listed" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category.

(b) Deliverable Obligation Category and Characteristics

If:

(i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category;

(ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category);

(iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category; and

(iv) any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified in the applicable Final Terms as Deliverable Obligation Characteristics or is applicable in respect of the applicable Transaction Type, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

(c) Qualifying Guarantee

If an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

(i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.

(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms or applicable in respect of the relevant Transaction Type from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

(iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms or if applicable in respect of the relevant Transaction Type.

(iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms or applicable in respect of the relevant Transaction Type from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

(v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(vi) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in the Conditions, including without limitation, the definitions of "Cash Settlement Amount" and "Quotation Amount"), when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

(vii) For the avoidance of doubt the provisions of this Credit-Linked Condition 5 apply in respect of the definitions of "Obligation" and "Deliverable Obligation" as the context admits.

6. Succession Event

(a) Single Reference Entity

Where the Notes are Single Reference Entity CLNs and a Succession Event has occurred and more than one Successor has been identified, each Credit-Linked Note will be deemed for all purposes to have been divided into the same number of new Credit-Linked Notes as there are Successors, with the following terms:

(i) each Successor will be a Reference Entity for the purposes of one of the deemed new Credit-Linked Notes;

(ii) in respect of each deemed new Credit-Linked Note, the Reference Entity Notional Amount will be the Reference Entity Notional Amount applicable to the original Reference Entity divided by the number of Successors; and

(iii) all other terms and conditions of the original Credit-Linked Notes will be replicated in each deemed new Credit-Linked Note except to the extent that modification is required, as determined by the Calculation Agent in its sole discretion, to preserve the economic effects of the original Credit-Linked Notes in the deemed new Credit-Linked Notes (considered in the aggregate).

(b) Nth-to-Default CLNs

Where the Notes are Nth-to-Default CLNs:

(i) where a Succession Event has occurred in respect of a Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) and more than one Successor has been identified, each Credit-Linked Note will be deemed for all purposes to have been divided into a number of new Credit-Linked Notes equal to the number of Successors. Each such new Credit-Linked Note shall include a Successor and each and every one of the Reference Entities unaffected by such Succession Event and the provisions of Credit-Linked Condition 6(a)(i) to (iii) (inclusive) shall apply thereto;

(ii) if "Substitution" is specified as not being applicable in the Final Terms, where any Reference Entity (the "**Surviving Reference Entity**") (other than a Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to a Succession Event, such Surviving Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity; and

(iii) if "Substitution" is specified as being applicable in the Final Terms, where the Surviving Reference Entity (other than a Reference Entity that is subject to the Succession Event) would be a Successor to a Legacy Reference Entity pursuant to a Succession Event:

(A) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and

(B) the Replacement Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity.

(c) Linear Basket CLNs

Where the Credit-Linked Notes are Linear Basket CLNs, and one or more Successors have been identified in respect of a Reference Entity that has been the subject of a related Succession Event (the "**Affected Entity**"):

(i) the Affected Entity will no longer be a Reference Entity (unless it is a Successor as described in (ii) below);

(ii) each Successor will be deemed a Reference Entity (in addition to each Reference Entity which is not an Affected Entity);

(iii) the Reference Entity Notional Amount for each such Successor will equal the Reference Entity Notional Amount of the Affected Entity divided by the number of Successors; and

(iv) the Calculation Agent may, at its discretion, make any modifications to the terms of the Notes which may be required to preserve the economic effects of the Notes prior to the Succession Event (considered in the aggregate).

(d) Substitute Reference Obligations

Where:

(i) a Reference Obligation is specified in the applicable Final Terms;

(ii) one or more Successors to the Reference Entity have been identified; and

(iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation".

7. Provisions relating to LPN Reference Entities

The following provisions shall apply if the relevant Final Terms provide that "LPN Reference Entity" is applicable:

(a) Multiple Holder Obligation will not be applicable with respect to any Reference Obligation and any Underlying Loan;

(b) each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit-Linked Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;

(c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in these Credit-Linked Conditions, and in particular, that the obligation is not an obligation of the Reference Entity;

(d) 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; and

(e) the "Not Subordinated" Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

8. Restructuring Credit Event

(a) Multiple Credit Event Notices

Upon the occurrence of a Restructuring Credit Event with respect to a Reference Entity for which Restructuring is an applicable Credit Event and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the relevant Transaction Type:

(i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such notice setting forth the amount of the relevant Reference Entity Notional Amount to which such Restructuring Credit Event applies (the "**Exercise Amount**") provided that if the Credit Event Notice does not specify an Exercise Amount, the then outstanding Reference Entity Notional Amount (and not a portion thereof) will be deemed to have been specified as the Exercise Amount;

(ii) the provisions of these Credit-Linked Conditions shall be deemed to apply to an aggregate outstanding principal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly;

(iii) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the relevant Reference Entity Notional Amount (and not a portion thereof); and

(iv) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the Specified Currency (or, if Japanese Yen, 100,000,000 units) in which the Reference Entity Notional Amount is denominated or any integral multiple thereof or the entire relevant Reference Entity Notional Amount.

In the case of an Nth-to-Default CLN, once the Conditions to Settlement have been satisfied in respect of the Nth Reference Entity where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity (save to the extent that the Credit-Linked Notes are deemed to have been divided into new Credit-Linked Notes pursuant to Credit-Linked Condition 6).

If any Credit-Linked Note is subject to partial redemption in accordance with this Credit-Linked Condition 8, the relevant Credit-Linked Note or, if the Credit-Linked Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

For the avoidance of doubt, this Credit-Linked Condition 8 shall not be applicable in respect of a Reference Entity for which Restructuring is an applicable Credit Event and neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the relevant Transaction Type.

(b) Restructuring Maturity Limitation and Fully Transferable Obligation

In respect of any Reference Entity for which Restructuring is an applicable Credit Event, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in a Notice of Physical Settlement, any NOPS Amendment Notice or, as applicable, selected by the Issuer to form part of the related Valuation Obligations Portfolio only if it:

(i) is a Fully Transferable Obligation; and

(ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

(c) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable

In respect of any Reference Entity for which Restructuring is an applicable Credit Event, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in the Notice of Physical Settlement, any NOPS Amendment Notice or, as applicable, selected by the Issuer to form part of the related Valuation Obligations Portfolio, only if it:

(i) is a Conditionally Transferable Obligation; and

(ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation 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, the Issuer shall, as soon as reasonably practicable, notify the relevant Noteholders of such refusal (or deemed refusal) and:

(x) each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and

(y) if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is three CLN Business Days after the Physical Settlement Date, then the Issuer will redeem the Notes which have not been Delivered by payment of the relevant Partial Cash Settlement Amount to such Noteholder.

(d) Multiple Holder Obligations

Notwithstanding anything to the contrary in the definition of "Restructuring" and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a)(i) to (iii) (inclusive) thereof shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, provided that any obligation that is a Bond shall be deemed to satisfy the requirements of sub-paragraph (b) of the definition of "Multiple Holder Obligation".

9. Miscellaneous Provisions relating to Credit-Linked Notes

(a) Determinations of the Calculation Agent

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Credit-Linked Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor (if applicable) and the Noteholders. In performing its duties pursuant to the Credit-Linked Notes, the

Calculation Agent shall act in its sole and absolute discretion and, unless otherwise expressly stated, is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Credit-Linked Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor (if applicable) shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

(b) Change in Standard Terms and Market Conventions

The Calculation Agent , acting reasonably, may (but shall not be obligated to) modify these Credit-Linked Conditions from time to time with effect from a date designated by the Calculation Agent to the extent necessary to ensure consistency with prevailing market standards or market trading conventions, which are, pursuant to the agreement of the leading dealers in the credit derivatives market or any relevant committee established by ISDA, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system, applicable to any Notional Credit Derivative Transaction or Hedge Transaction entered into prior to such date or terms thereof. The Calculation Agent shall notify the Issuer and the Noteholders as soon as reasonably practicable upon making any such determination. For the avoidance of doubt, the Calculation Agent may not, without the consent of the Issuer and the Trustee, amend pursuant to this Credit-Linked Condition 9(b) any of the terms and conditions of the Credit-Linked Notes other than the Credit-Linked Conditions.

(c) Delivery of Notices

As soon as reasonably practicable after receiving a Credit Event Notice or Notice of Publicly Available Information from the Calculation Agent, the Issuer shall promptly inform, or shall procure that the Calculation Agent informs, the Noteholders in accordance with Condition 13. Resolutions of the Credit Derivatives Determinations Committee are, as of the date hereof, available on ISDA's website (www.isda.org/credit).

(d) Effectiveness of Notices

Any notice referred to in Credit-Linked Condition 9(c) above which is delivered on or prior to 5:00 p.m. (London time) on a London Business Day is effective on such date and if delivered after such time or on a day that is not a London Business Day, is deemed effective on the next following London Business Day.

10. Definitions

In these Credit-Linked Conditions, unless otherwise specified in the applicable Final Terms:

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

"**Accreted Amount**" means, with respect to an Accreting Obligation, an amount equal to:

(a) the sum of:

(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 (a)(ii) above),

in each case calculated as of the earlier of:

(i) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal; and

(ii) the Delivery Date or applicable Valuation Date, as the case may be.

Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable in the relevant Final Terms. 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 the purposes of (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 the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of a Convertible Obligation or an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is convertible or 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.

"**Additional Credit Event**" means an additional credit event as defined in the Final Terms.

"**Additional LPN**" means any LPN issued by an LPN Issuer for the sole purpose of providing funds for the LPN Issuer to provide finance to the Reference Entity via an:

(a) Underlying Loan; or

(b) 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: Transferable, Not Bearer, Specified Currencies – 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 holders of the LPNs.

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available at http://www.markit.com/marketing/services.php.

"**Additional Provisions**" means any additional provisions from time to time published by ISDA for use in the over the counter credit derivatives market and specified as applicable in relation to a Reference Entity which may include:

(a) the Additional Provisions for Physically Settled Default Swaps - Monoline Insurer as Reference Entity, as published by ISDA on 21 January 2005; or

(b) any other provisions specified in relation to such Reference Entity.

"**Affected Entity**" has the meaning given to such term in Credit-Linked Condition 6(c) above.

"**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.

"**Asset Transfer Notice**" has the meaning given to such term in Credit-Linked Condition 4(f) above.

"**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent, and if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans.

"**Auction**" has the meaning set forth in the relevant Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Covered Transaction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Final Price**" has the meaning set forth in the Transaction Auction Settlement Terms or the Parallel Auction Settlement Terms identified by the Issuer in the Auction Settlement Amount Notice.

"**Auction Final Price Determination Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Settlement Amount**" means, in relation to any Reference Entity and unless otherwise specified in the Final Terms, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:

Auction Settlement Amount = Max 0, [(A x B) – C]

Where:

"**A**" means the Calculation Amount;

"**B**" means the relevant Auction Final Price; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero).

"**Auction Settlement Amount Notice**" means a notice given by the Issuer to the Calculation Agent and the Noteholders in accordance with Condition 13 on or prior to the date which is 65 Business Days following the Final List Publication Date specifying:

(a) the Transaction Auction Settlement Terms or Parallel Auction Settlement Terms which the Issuer has elected to apply to the Credit-Linked Notes (provided that the Issuer may only elect to apply any Parallel Auction Settlement Terms (which it

may choose in its sole discretion) in the circumstances set out in sub-paragraph (b) of the definition of "No Auction Announcement Date"); and

(b) the Auction Settlement Amount.

"**Auction Settlement Date**" means the date that is three Business Days following delivery by the Issuer of the Auction Settlement Amount Notice to the Calculation Agent and the Noteholders in accordance with Condition 13.

"**Bankruptcy**" means a Reference Entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
(ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;

(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub paragraphs (a) to (g) (inclusive) above.

"**Best Available Information**" means:

(a) 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 or the Credit Derivatives Determinations Committee makes its determination for the purposes of the definition of "Successor", 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

(b) 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 (a) above, the best publicly available information at the disposal of the Calculation Agent or

the Credit Derivatives Determinations Committee to allow it to make a determination for the purposes of the definition of "Successor",

provided that information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute "Best Available Information".

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

"**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).

"**Capped Reference Entity**" means, unless otherwise specified in the Final Terms, a Reference Entity having a specified Transaction Type in respect of which "60 CLN Business Days Cap on Settlement" is expressed as applying in the Physical Settlement Matrix.

"**Cash Settlement Amount**" means, in relation to any Reference Entity and unless otherwise specified in the Final Terms, an amount in the Settlement Currency as determined by the Calculation Agent in accordance with the formula below:
Cash Settlement Amount = Max 0, [(A x B) – C]

Where:

"**A**" means the Calculation Amount;

"**B**" means the Weighted Average Final Price, or if so specified in the applicable Final Terms, the Final Price or such other price specified therein; and

"**C**" means the Unwind Costs (unless the applicable Final Terms specify that Unwind Costs are not applicable, in which event "**C**" means zero).

"**Cash Settlement Date**" means the date that is the number of Business Days specified in the Final Terms (or, if a number of Business Days is not specified, three Business Days) immediately following the determination of the Weighted Average Final Price.

"**CLN Business Day**" means, in respect of any Reference Entity, a day on which commercial banking and foreign exchange markets are generally open to settle payments in the place or places specified for that purpose with respect to such Reference Entity, a TARGET Settlement Day (if "TARGET Settlement Day" is specified for that purpose, or, if a place or places are not so specified, a day on which commercial banks and foreign exchange markets are generally open to settlement payments in the jurisdiction of the currency of the related Reference Entity Notional Amount). Business Days referenced in the Physical Settlement Matrix shall be deemed to be CLN Business Days.

"**CLN Dealer**" means a dealer in obligations of the type of Obligation(s) (as the case may be) for which quotations are to be obtained (as selected by the Calculation Agent) and may include the Calculation Agent or its Affiliate and a Noteholder or its Affiliate or as may otherwise be specified in the Final Terms.

"**CLN Maturity Date**" means either:

(a) the Scheduled Maturity Date; or

(b) where the Issuer delivers an Extension Notice in relation to a Reference Entity to the Calculation Agent and the Noteholders at or prior to 11:00 a.m. (London time) on the date falling two London Business Days prior to the Scheduled Maturity Date, either:

(i) the date falling two Business Days after the expiry of the Notice Delivery Period; or

(ii) if a Credit Event Resolution Request Date has occurred on or prior to the expiry of the Notice Delivery Period in relation to a Reference Entity and unless otherwise elected by the Issuer by written notice to the Calculation Agent and the Noteholders, the date falling 15 Business Days following any date on which the Credit Derivatives Determinations Committee Resolves that the relevant event does not constitute a Credit Event, or Resolves not to make such determination.

"**Conditionally Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that 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 this definition of "Conditionally Transferable Obligation".

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 Delivery 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 Issuer or the Guarantor (if applicable).

"**Conditions to Settlement**" means, in relation to any Reference Entity:

(a) the occurrence of an Event Determination Date; and

(b) where the applicable Settlement Method is Physical Settlement (or Physical Settlement is applicable as the Fallback Settlement Method), the delivery of the Notice of Physical Settlement on or following the occurrence of an Event Determination Date,

to the extent that, unless otherwise elected by the Issuer by written notice to the Calculation Agent and the Noteholders, such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, a Delivery Date or the CLN Maturity Date, as applicable.

"**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans.

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

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

"**Credit Derivatives Definitions**" means the 2003 ISDA Credit Derivatives Definitions, as published by ISDA, as supplemented by the July 2009 Supplement and, in addition, if Additional Provisions are specified to be applicable with respect to the Credit-Linked Notes in the Final Terms, as supplemented by the Additional Provisions.

"**Credit Derivatives Determinations Committee**" means each committee established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions in the over-the-counter market, as more fully described in the Rules.

"**Credit Event**" means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring or Additional Credit Event as specified with respect to a Reference Entity.

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:

(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"**Credit Event Backstop Date**" means the date that is 60 calendar days prior to the Trade Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Credit Event Notice**" means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop 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 such terms are defined in the Physical Settlement Matrix), Tokyo time)) and on or prior to the Extension 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 such terms are defined in the Physical Settlement Matrix), Tokyo time)).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred, provided that where an Event Determination Date has occurred pursuant to sub-paragraph (b) of the definition thereof, a reference to the relevant DC Credit Event Announcement shall suffice. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"**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:

(a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions referred to in sub-paragraphs (a) and (b) above.

"**Currency Amount**" means with respect to:

(a) a Deliverable Obligation specified in a Notice of Physical Settlement or a selected Valuation Obligation that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate; and

(b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the relevant Deliverable Obligation into the currency of denomination of the relevant Replacement Deliverable Obligation.

"**Currency Rate**" means with respect to:

(a) a Deliverable Obligation specified in the Notice of Physical Settlement or a selected Valuation Obligation, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either:

(i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time; or

(ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner after consultation with the parties; and

(b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate.

"**Currency Rate Source**" means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

"**DC Credit Event Announcement**" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that:

(a) an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof); and

(b) such event occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A DC Credit Event Announcement will be deemed not to have occurred unless:

(i) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date, if specified in the Final Terms and if not, including prior to the Issue Date); and

(ii) the Trade Date occurs on or prior to the Exercise Cut-off Date.

"**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).

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

"**Default Requirement**" means the amount as may be specified as such in the Final Terms or, if a Transaction Type is specified, the amount specified as such in the Physical Settlement Matrix or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not so specified in the Final Terms, U.S.$ 10,000,000, or its equivalent in the relevant Obligation Currency, in either case 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 Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment

Notice, as applicable, to the Issuer or the Noteholders, as the case may be, free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence as set out in the definition of "Credit Event") 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 Direct Loan Participations, "**Deliver**" means to create (or procure the creation of) a participation in favour of the Issuer or the Noteholders, as the case may be, and 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. Notwithstanding the previous sentence, in the case of a Loan, the Issuer and each Noteholder agrees to comply, for the purposes of the settlement of the Credit-Linked Notes with the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties hereunder. The Issuer agrees, and each Noteholder is deemed to further agree, that compliance by the Issuer with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for the purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the Issuer nor any Noteholder shall be permitted to request that any party take nor shall the Issuer or any Noteholder be required to take, any action or make any payment in connection with such Delivery, as applicable, unless otherwise contemplated by such documentation.

"**Deliverable Obligation**" means, subject to Credit-Linked Conditions 8(a), (b) and (c):

(a) each obligation of a Reference Entity (either directly, or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable with respect thereto, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category, and, subject to Credit-Linked Condition 5, having each of the Deliverable Obligation Characteristics, if any, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that:

  (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;

  (ii) is not subject to any counterclaim, defence (other than as set out in the definition of "Credit Event") or right of set-off by or of a Reference Entity or any applicable Underlying Obligor;

  (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(b) subject to the last paragraph of the definition of "Not Contingent", each Reference Obligation, unless specified in the Final Terms as an Excluded Deliverable Obligation; and

(c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that:

  (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;

  (ii) is not subject to any counterclaim, defence (other than as set out in the definition of "Credit Event") or right of set-off by or of a Reference Entity or any applicable Underlying Obligor; and

  (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, as at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(d) any other obligation of a Reference Entity specified as such in the Final Terms.

"**Deliverable Obligation Category**" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan as specified in relation to a Reference Entity. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligations Only.

"**Deliverable 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, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

"**Deliverable Obligation Provisions**", in relation to any Reference Entity, has the meaning set forth in the Credit Derivatives Auction Settlement Terms.

"**Deliverable Obligation Terms**", in relation to any Reference Entity, has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"**Delivery Date**" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

"**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either:

(a) the Issuer or the Guarantor (as applicable) (in either case, to the extent that the Issuer or the Guarantor (as applicable), is then a lender or member of the relevant lending syndicate); or

(b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

"**Domestic Currency**" means the currency specified as such in relation to a Reference Entity and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of;

(a) the relevant Reference Entity, if the Reference Entity is a Sovereign; or

(b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign.

In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor 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 Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

"**Eligible Transferee**" means each of the following:

(a) each of:

(i) any bank or other financial institution;

(ii) an insurance or reinsurance company;

(iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(ii) below); and

(iv) 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 U.S.$ 500 million;

(b) an Affiliate of an entity specified in (a) above;

(c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:

(i) 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:

(A) has total assets of at least U.S.$ 100 million; or

(B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.$ 100 million; or

(ii) that has total assets of at least U.S.$ 500 million; or

(iii) 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 (a), (b), (c)(ii) or (d) hereof; and

(d) a Sovereign, Sovereign Agency or Supranational Organisation,

and where references in this definition to U.S.$ include equivalent amounts in other currencies.

"**Enabling Obligation**" means, in respect of a Reference Entity, an outstanding Deliverable 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:

(a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing 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

(b) 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.

"**Escrow**" means, if Escrow is specified in relation to a Reference Entity as applicable, either the Issuer or any Noteholder may require that physical settlement take place through the use of an Escrow Agent (in the case of any such request by a Noteholder, solely in relation to the Notes held by such Noteholder). Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the relevant Noteholder.

"**Escrow Agent**" means, unless otherwise specified in the Final Terms, an independent third party financial institution specified by the Issuer prior to the Physical Settlement Date, subject to the terms of the escrow arrangement.

"**Event Determination Date**" means, in respect of any Credit Event:

(a) subject to sub-paragraph (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Issuer to the Calculation Agent and the Noteholders and are effective during either:

(i) the Notice Delivery Period; or

(ii) the period from, and including, the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" to and including, the date that is 15 Business Days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date, if specified in the Final Terms and if not, including prior to the Issue Date)); or

(b) notwithstanding sub-paragraph (a) above, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date, provided that:

(A) no Physical Settlement Date, or Cash Settlement Date (as applicable) has occurred on or prior to the date on which the DC Credit Event Announcement occurs;

(B) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the DC Credit Event Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Reference Entity Notional Amount, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and

(C) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer:

(x) unless the Restructuring stated in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date; or

(y) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the then outstanding Reference Entity Notional Amount; and

(D) if the Credit Event that is the subject of the DC Credit Event Announcement is a Restructuring, the Calculation Agent has delivered a Credit Event Notice to the Issuer on or prior to the Exercise Cut-off Date.

No Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, a DC No Credit Event Announcement occurs with respect to the event that, but for such DC No Credit Event Announcement, would have constituted a Credit Event prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date) or the Scheduled Maturity Date, as applicable.

"**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).

"**Excluded Deliverable Obligation**" means any obligation of a Reference Entity specified as such or of a type described as such in relation thereto.

"**Excluded Obligation**" means any obligation of a Reference Entity specified as such or of a type described as such in relation thereto.

"**Exercise Amount**" has the meaning given to it in Credit-Linked Condition 8(a).

"**Exercise Cut-off Date**" means the date that is the later of:

(a) 65 Business Days following the Final List Publication Date;

(b) 15 CLN Business Days following the Auction Final Price Determination Date, if any;

(c) 15 CLN Business Days following the Auction Cancellation Date, if any; or

(d) the date that is 15 CLN Business Days following the No Auction Announcement Date, if any.

"**Extended Physical Settlement Date**" means:

(a) in the case of a Capped Reference Entity, the 60th CLN Business Day following the Physical Settlement Date, provided that if, under the terms of a Hedge Transaction, the Original Bonds and Original Loans, may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof on or before the date falling three CLN Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or ten CLN Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, such date may be further extended to a date falling up to three CLN Business Days or ten CLN Business Days, respectively, after the original Extended Physical Settlement Date, or to such earlier date as the Calculation Agent may determine, in its absolute discretion; and

(b) in the case of a Non-Capped Reference Entity, such date as the Calculation Agent may determine in its absolute discretion, provided that such date falls no later than the 120th CLN Business Day following the Physical Settlement Date or, in the absence of such determination, such 120th CLN Business Day.

"**Extension Date**" means the latest of:

(a) the Scheduled Maturity Date;

(b) the Grace Period Extension Date if:

  (i) Failure to Pay is an applicable Credit Event in relation to any Reference Entity;

  (ii) Grace Period Extension is specified as applicable in relation to such Reference Entity; and

  (iii) the Issuer delivers an Extension Notice under sub-paragraph (b) of the definition thereof;

(c) the Repudiation/Moratorium Evaluation Date if:

  (i) Repudiation/Moratorium is an applicable Credit Event in relation to any Reference Entity; and

  (ii) the Issuer delivers an Extension Notice under sub-paragraph (c) of the definition thereof.

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

(a) without prejudice to sub-paragraphs (b), (c) or (d) below, that a Credit Event has occurred or may occur on or prior to the Scheduled Maturity Date; or

(b) that a Potential Failure to Pay has occurred or may occur on or prior to 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 such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to 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 such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(d) that a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period.

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

"**Fallback Settlement Event**" means:

(a) an Auction Cancellation Date occurs;

(b) a No Auction Announcement Date occurs (and in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms on or prior to the date that is 65 Business Days following the Final List Publication Date or such earlier date as the Issuer may designate by notice to the Calculation Agent and the Noteholders in accordance with Condition 13);

(c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event for the purposes of credit derivatives transactions for such Reference Entity in the over-the-counter market (including any Hedge Transaction);

(d) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that the relevant event that has occurred constitutes a Restructuring for the purposes of credit derivatives transactions for such Reference Entity in the over the counter market (including any Hedge Transaction) and that no Auction will be held with respect to such Reference Entity and Restructuring Credit Event; or

(e) an Event Determination Date has occurred pursuant to sub-paragraph (a) of the definition of "Event Determination Date", and no Credit Event Request Resolution Date has occurred within two Business Days of such Event Determination Date.

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

"**Final List**" has the meaning given to that term in the Rules.

"**Final List Publication Date**" means, in respect of a Credit Event, the date on which the last Final List in respect of such Credit Event is published by ISDA.

"**Final Price**" means the price of the Reference Obligation or, as applicable, any Valuation Obligation, Deliverable Obligation or Undeliverable Obligation, expressed as a percentage determined in accordance with the highest Quotation obtained by the Calculation Agent (or otherwise in accordance with the definition of "Quotation") with respect to the Relevant Valuation Date.

"**Final Price Calculation Date**" means with respect to a particular Valuation Obligation included in the Valuation Obligations Portfolio, the date on which the Final Price in respect of such Valuation Obligation is determined.

"**First Ranking Interest**" means an Interest which is expressed as being "first ranking", "first priority", or similar ("**First Ranking**") in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

"**Full Quotation**" means, in accordance with the bid quotations provided by the CLN Dealers, each firm quotation (expressed as a percentage of the Outstanding Principal Balance) obtained from a CLN Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, Deliverable Obligation or, as the case may be, Undeliverable Obligations with an Outstanding Principal Balance equal to the Quotation Amount.

"**Fully Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. 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 this definition of "Fully Transferable Obligation". For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of "Fully Transferable Obligation", such determination shall be made as of the Delivery Date for the relevant 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 Issuer or the Guarantor (as applicable).

"**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:

(a) subject to sub-paragraphs (b) and (c) the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;

(b) if Grace Period Extension is applicable in relation to the relevant Reference Entity, a Potential Failure to Pay has occurred on or prior to 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 such terms are defined in the Physical Settlement Matrix), Tokyo time)) and the applicable grace period cannot, by its terms, expire on or prior to 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 such terms are defined in the Physical Settlement Matrix), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified, thirty calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified in relation to the relevant Reference Entity in the Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

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

"**Grace Period Extension Date**" means, if:

(a) Grace Period Extension is specified as applicable in relation to a Reference Entity in the Final Terms as applicable pursuant to the relevant Transaction Type; and

(b) a Potential Failure to Pay occurs on or prior to 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 such terms are defined in the Physical Settlement Matrix), Tokyo time)),

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

"**Hedge Disruption Event**" means the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction.

"**Hedge Transaction**" means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Credit-Linked Notes.

"**Indicative Quotation**" shall mean each bid quotation obtained from a CLN Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation equal to the Quotation Amount, which reflects such CLN Dealer's reasonable assessment of the price of such Undeliverable Obligation based on such factors as such CLN Dealer may consider relevant, which may include historical prices and recovery rates.

"**Interest**" means, for the purposes of the definition of "First Ranking Interest", a charge, security interest or other type of interest having similar effect.

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor thereto).

"**July 2009 Supplement**" means the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on 14 July 2009.

"**Latest Maturity Restructured Bond or Loan**" means, in respect of a Reference Entity and a Credit Event that is a Restructuring, the Restructured Bond or Loan with the latest final maturity date.

"**Latest Permissible Physical Settlement Date**" means, in respect of partial cash settlement due to a Potential Cash Settlement Event, 30 calendar days following the Physical Settlement Date and, in respect of Partial Cash Settlement (as specified in the Final Terms) in respect of a Deliverable Obligation comprised of Loans, the date that is 15 CLN Business Days after the Physical Settlement Date.

"**Legacy Reference Entity**" has the meaning given to such term in Credit-Linked Condition (6)(b)(ii) above.

"**Limitation Date**" means, in respect of a Credit Event that is a Restructuring, the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "**2.5-year Limitation Date**"), 5 years (the "**5-year Limitation Date**"), 7.5 years, 10 years, 12.5 years, 15 years or 20 years (the "**20-year Limitation Date**"), as applicable. Limitation Dates shall not be subject to adjustment unless otherwise provided in the Final Terms.

"**Linear Basket CLN**" means Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of a basket of Reference Entities (other than on an Nth-to-default basis), as specified in the Final Terms.

"**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the Listing Deliverable Obligation Characteristics shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

"**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.

"**London Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

"**LPN**" means any bond issued in the form of a loan participation note.

"**LPN Issuer**" means, in respect of any LPN, the entity which issued the relevant LPN.

"**LPN Reference Obligation**" means each Reference Obligation other than any Additional Obligation which is issued for the sole purpose of providing funds to the LPN Issuer to finance an Underlying Loan. 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.

"**Maximum Maturity**" means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than;

(a) the period specified in relation to a Reference Entity or;

(b) if no such period is so specified, 30 years.

"**Merger Event**" means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Maturity Date the Issuer, the Guarantor (if applicable) or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity, the Issuer or the Guarantor as applicable, or (if applicable) the Guarantor and a Reference Entity or the Issuer and a Reference Entity become affiliates.

"**Merger Event Redemption Date**" means the date specified as such in the applicable Final Terms.

"**Minimum Quotation Amount**" means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of:

(a) U.S.$ 1,000,000 (or its equivalent in the relevant Obligation Currency); and

(b) the Quotation Amount.

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

"**Modified Restructuring Maturity Limitation Date**" means with respect to a Deliverable Obligation, the 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. With respect to a Reference Entity for which Restructuring is an applicable Credit Event and for which "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type and for which 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 to 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:

(a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other; and

(b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above.

"**N**" or "**Nth**" means, where the relevant Final Terms specify that "Nth-to-Default CLN" is applicable, such number as may be specified in such Final Terms.

"**Next Currency Fixing Time**" means 4.00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPS Amendment Notice, as applicable, is effective or, as applicable, the date of selection of Valuation Obligations.

"**No Auction Announcement Date**" means, with respect to any Reference Entity, the date on which ISDA announces that:

(a) no Transaction Auction Settlement Terms and, if applicable, Parallel Auction Settlement Terms will be published with respect to credit derivative transactions in the over-the-counter market and the relevant Credit Event and Reference Entity;

(b) following the occurrence of a Credit Event which is a Restructuring in respect of such 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 Final Terms or is applicable in respect of the applicable Transaction Type, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or

(c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held with respect to such Reference Entity and Credit Event for which any Hedge Transaction is an Auction Covered Transaction following a prior public announcement by ISDA to the contrary.

"**Non-Capped Reference Entity**" means a Reference Entity which is not a Capped Reference Entity.

"**NOPS Amendment Notice**" means a notice from the Issuer to the Calculation Agent notifying it, that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof.

"**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds.

"**Not Contingent**" means any obligation having as of the Delivery 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). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right:

(a) to convert or exchange such obligation; or

(b) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or 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 Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in (a) and (b) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

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

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

"**Not Domestic Law**" means any obligation that is not governed by the laws of:

(a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or

(b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign.

"**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 Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity,

provided that, if any of the events set forth under sub-paragraph (a) of the definition of "Substitute Reference Obligation" have occurred with respect to all of the Reference Obligations or if the last paragraph of the definition of "Successor" applies with respect to 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 Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment.

For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred, and shall not reflect any change to such ranking in priority of payment after such date.

"**Notice Delivery Period**" means the period from and including the Trade Date to and including the date 15 CLN Business Days (or such other number of days as may be specified in the Final Terms) after the Extension Date (or, if the relevant 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 (or deemed specified) in the Final Terms, the later of:

(a) such date; and

(b) the date that is 65 Business Days following the Final List Publication Date).

"**Notice of Physical Settlement**" means a notice delivered from the Issuer to the Calculation Agent and the Noteholders on or prior to the later of:

(a) 65 CLN Business Days following the Final List Publication Date;

(b) subject to sub-paragraph (c) below, 25 CLN Business Days after the last to occur of the Auction Cancellation Date, the No Auction Announcement Date, the last Parallel Auction Cancellation Date and the last Parallel Auction Final Price Determination Date (in each case if any and if applicable); and

(c) in circumstances where the No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition thereof, the Issuer has not delivered an Auction Settlement Amount Notice specifying an applicable Parallel Auction Settlement Terms to the Calculation Agent by the Restructuring Exercise Date, 5 CLN Business Days following such Restructuring Exercise Date,

that:

(i) irrevocably confirms that the Issuer will redeem the Credit-Linked Notes by physical delivery in accordance with Credit-Linked Condition 4;

(ii) contains a detailed description of the Deliverable Obligations that the Issuer will Deliver (or procure Delivery of) to the Noteholders, including the Outstanding Amount; and

(iii) where the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation Date and Fully Transferable Obligation Applicable" and "Modified Restructuring Maturity Limitation Date and Conditionally Transferable Obligation Applicable" is specified (or deemed specified) in the Final Terms or is applicable in respect of the applicable Transaction Type and the Scheduled Maturity Date of the Credit-Linked Notes is later than:

(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any; or

(B) the 2.5 year Limitation Date,

contains a detailed description of at least one Enabling Obligation (if any such Enabling Obligation exists).

The Notice of Physical Settlement shall specify Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) on the Settlement Valuation Date equal to the Reference Entity Notional Amount (or, as applicable, Exercise Amount), subject to any Physical Settlement Adjustment.

The Issuer may, from time to time, deliver to the Calculation Agent in the manner specified above a NOPS Amendment Notice. A NOPS Amendment Notice shall contain a revised detailed description of each Replacement Deliverable Obligation) and shall also specify the Replaced Deliverable Obligation Outstanding Amount). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to the Calculation Agent (given in the manner specified above) prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice.

"**Notice of Publicly Available Information**" means an irrevocable notice from the Calculation Agent (which may be by telephone) to 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. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both sub-paragraphs (a) and (b) of the definition of "Repudiation/Moratorium". The notice 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 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.

"**Notional Credit Derivative Transaction**" means, with respect to any Credit-Linked Note and a Reference Entity, a hypothetical market standard credit default swap transaction entered into by the Issuer, as Buyer (as defined in the Credit Derivatives Definitions), incorporating the terms of the Credit Derivatives Definitions and under the terms of which:

(a) the "Trade Date" is the Trade Date, if specified in the Final Terms and if not, the Issue Date;

(b) the "Scheduled Termination Date" is the Scheduled Maturity Date;

(c) the "Reference Entit(y)(ies)" thereunder is(are) such Reference Entit(y)(ies); and

(d) the applicable "Transaction Type" is the Transaction Type for the purposes of such Credit-Linked Note.

"**Nth-to-Default CLN**" means any First-to-Default CLN or any other nth-to-default Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities, as specified in the Final Terms.

"**Obligation**" means:

(a) each obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified in relation to a Reference Entity, as provider of any Qualifying Guarantee) described by the Obligation Category specified in the Final Terms, and having each of the Obligation Characteristics specified in the Final Terms (but excluding any Excluded Obligation), in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice or a notice to ISDA which results in the occurrence of the Credit Event Resolution Request Date, as applicable, but excluding any Excluded Obligation;

(b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and

(c) any other obligation of a Reference Entity specified as such in the Final Terms.

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

"**Obligation Category**" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in relation to a Reference Entity.

"**Obligation Characteristic**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in relation to a Reference Entity.

"**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 (howsoever described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**Officer's Certification**" means a certificate signed by a director (or other substantively equivalent title) of the Issuer which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

"**Original Bonds**" means any Bonds comprising part of the relevant Deliverable Obligations.

"**Original Loans**" means any Loans comprising part of the relevant Deliverable Obligations.

"**Outstanding Amount**" means the Outstanding Principal Balance or Due and Payable Amount, as applicable.

"**Outstanding Principal Balance**" means:

(a) with respect to any Accreting Obligation, the Accreted Amount thereof;

(b) with respect to any Exchangeable Obligation that is not an Accreting Obligation, the outstanding principal balance of such obligation excluding any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable; and

(c) with respect to any other Obligation, the outstanding principal balance of such Obligation.

"**Parallel Auction**" means "Auction" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Cancellation Date**" means "Auction Cancellation Date" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Final Price Determination Date**" means the "Auction Final Price Determination Date" as defined in any relevant Parallel Auction Settlement Terms.

"**Parallel Auction Settlement Terms**" means, in respect of a Credit Event with respect to a Reference Entity, following the occurrence of a Restructuring for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified (or deemed to be specified) in the Final Terms and Credit-Linked Notes, 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 are the same as the Deliverable Obligation Provisions which would be applicable to the Notional Credit Derivative Transaction (but the Permissible Deliverable Obligations are more limited than the Permissible Deliverable Obligations under the Transaction Auction Settlement Terms) and for which the Notional Credit Derivative Transaction would not be an Auction Covered Transaction.

"**Partial Cash Settlement Amount**" means, where the applicable Settlement Method is Physical Settlement, an amount determined by the Calculation Agent equal to the aggregate, for each Undeliverable Obligation, of:

(a) the Final Price of such Undeliverable Obligations multiplied by;

(b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of such Undeliverable Obligation.

"**Partial Cash Settlement Date**" means, the date falling three CLN Business Days (unless otherwise specified in relation to a Reference Entity) after the calculation of the Final Price.

"**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 the amount specified as such the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the applicable Final Terms, U.S.$ 1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"**Permissible Deliverable Obligations**" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

"**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 Co-operation and Development and has a local currency long term debt rating of either "AAA" or higher assigned to it by S&P, "Aaa" or higher assigned to it by Moody's or "AAA" or higher assigned to it by Fitch Ratings.

"**Physical Settlement Adjustment"** means a reduction to the Outstanding Amount of Deliverable Obligations specified in a Notice of Physical Settlement, by an amount of Deliverable Obligations having a liquidation value equal to the Unwind Costs (only if positive) rounded upwards to the nearest whole denomination of a Deliverable Obligation, such amount to be determined by the Calculation Agent.

"**Physical Settlement Adjustment Rounding Amount**" means an amount (if any) equal to the difference between the absolute value of the Physical Settlement Adjustment and the liquidation value of such whole number of Deliverable Obligations as are not required to be Delivered by the Issuer by way of compensation for any Unwind Costs.

"**Physical Settlement Date**" means the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement as specified in relation to a Reference Entity as the Calculation Agent may designate in its discretion, provided that if the Final Price has not been determined by the CLN Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the first CLN Business Day after the Final Price is determined.

"**Physical Settlement Matrix**" means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Trade Date (unless otherwise specified in relation to a Reference Entity) and as published by ISDA, currently at http://www.isda.org, provided that any reference therein to:

(a) "Confirmation" shall be deemed to be a reference to the applicable Final Terms;
(b) "Floating Rate Payer Calculation Amount" shall be deemed to be a reference to the Specified Currency;

(c) "Section 3.3 of the Definitions" shall be deemed to be a reference to "Credit Event Notice" as defined in this Part 5;

(d) "Section 3.9" shall be deemed to be a reference to Credit-Linked Condition 8(a); and

(e) "Section 8.6" shall be deemed to be a reference to "Physical Settlement Period" as defined in this Part 5.

"**Physical Settlement Period**" means, subject to Credit-Linked Condition 2(d), the number of CLN Business Days specified as such in relation to a Reference Entity or, if a number of CLN Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the longest number of CLN Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

"**Potential Cash Settlement Event**" means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation (in the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, but excluding markets conditions or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Noteholder to give the Issuer details of accounts for settlement; or a failure of the Noteholder to open or procure the opening of such accounts or if the Noteholders are unable to accept Delivery of the portfolio of Deliverable Obligations for any other reason).

"**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 sub paragraph (a) of the definition of "Repudiation/Moratorium".

"**Public Source**" means each source of Publicly Available Information specified as such in the applicable Final Terms (or, if a source is not so specified in the Final Terms, 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).

"**Publicly Available Information**" means:

(a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice has occurred and which:

(i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer, the Guarantor (if applicable) or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the issuer, the guarantor of the Obligation (if applicable) or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent, facility agent or agent bank for an Obligation;

(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 or paying agent, facility agent or agent bank for an Obligation; or

(iii) is information contained in any petition or filing instituting a proceeding described in sub-paragraph (d) of the definition of "Bankruptcy" against or by a Reference Entity; 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.

(b) 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 an Obligation and;

(ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver to the Issuer an Officer's Certification.

(c) In relation to any information of any type described in sub-paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

(d) Publicly Available Information need not state:

(i) in relation to the definition of "Downstream Affiliate", 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.

"**Qualifying Affiliate Guarantee**" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

"**Qualifying Guarantee**" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an Underlying Obligation on behalf of the Underlying Obligor. Qualifying Guarantees shall exclude any arrangement:

(a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement; or

(b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered (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.

"**Qualifying Participation Seller**" means any participation seller that meets the requirements specified in relation to a Reference Entity. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"**Quotation**" means, in respect of Reference Obligations, Deliverable Obligations and Undeliverable Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five or more CLN Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same CLN Business Day within three CLN Business Days of a Relevant Valuation Date, then on the next following CLN Business Day (and, if necessary, on each CLN Business Day thereafter until the tenth CLN Business Day following the applicable Relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more CLN Dealers and, if two or more Full Quotations are not available, 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 CLN Business Day on or prior to the tenth CLN Business Day following the applicable Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth CLN Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from CLN Dealers at the Valuation Time on such tenth CLN Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation shall be deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

(b) If:

(i) "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;

(ii) "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and

(iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest, all Quotations shall be obtained in accordance with this determination.

(c) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

"**Quotation Amount**" means:

(a) with respect to a Reference Obligation, the amount specified in relation to a Reference Entity (which may be specified by reference to an amount in a currency or by reference to the Representative Amount) or, if no amount is so specified, the Reference Entity Notional Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

(b) with respect to each type or issue of Deliverable Obligation to be Delivered on or prior to the Physical Settlement Date, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Deliverable Obligation; and

(c) with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency as calculated in the same manner as (a) above) of such Undeliverable Obligation.

"**Reference Entity**" or "**Reference Entities**" means the reference entity or reference entities specified in the Final Terms and any Successor to a Reference Entity either:

(a) as identified by the Calculation Agent in accordance with the definition of "Successor" on or following the Trade Date; or

(b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has resolved that a Succession Event has occurred, in respect of a Succession Event Resolution Request Date. A Successor in accordance with the Rules shall in each case be a Reference Entity for the Notes, as the terms of which may be modified pursuant to Credit-Linked Condition 6.

"**Reference Entity Notional Amount**" means the amount in which the Issuer has purchased credit protection in respect of one or more Reference Entities, as set out in the Final Terms.

"**Reference Obligation**" means:
(a) the Reference Obligation specified in relation to a Reference Entity; and

(b) any Substitute Reference Obligation.

"**Reference Obligations Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics or, as the case may be, Deliverable Obligation Characteristics shall be applicable where Reference Obligations Only applies.

"**Relevant Obligations**" means:

(a) subject to sub-paragraph (b) below, the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case; and

(b) where "LPN Reference Entity" is applicable to a Reference Entity, each of the obligations listed as a Reference Obligation of such Reference Entity in the relevant "LPN Reference Obligation List" 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, and each Additional Obligation.

"**Reference Price**" means the percentage specified as such in relation to a Reference Entity or, if a percentage is not so specified, 100 per cent.

"**Relevant Valuation Date**" means the Settlement Valuation Date, Valuation Date or Undeliverable Valuation Date, as the case may be.

"**Replaced Deliverable Obligation Outstanding Amount**" means the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced.

"**Replacement Deliverable Obligation**" means each replacement Deliverable Obligation that the Issuer will, subject to Credit-Linked Condition 4, Deliver to the Noteholders in lieu of each original Deliverable Obligation which has not been Delivered as at the date of such NOPS Amendment Notice.

"**Replacement Reference Entity**" means an entity selected by the Calculation Agent in its discretion which is incorporated in the same geographical area, has the same Transaction Type as the Legacy Reference Entity and which is of a similar or better credit quality than the Legacy Reference Entity, as measured by Standard & Poor's Ratings Services and/or by Moody's Investors Service Limited, at the date of the relevant Succession Event provided that in selecting any Replacement Reference Entity, the Calculation Agent is under no obligation to the Noteholders, the Issuer or any other person and, provided that the Successor selected meets the criteria specified above, is entitled, and indeed will endeavour, to select the least credit-worthy of the Successors. In making any selection, the Calculation Agent will not be liable to account to the Noteholders, the Issuer or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

"**Repudiation/Moratorium**" means the occurrence of both of the following events:

(a) an authorised officer of a Reference Entity or a Governmental Authority:

(i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or

(ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

"**Repudiation/Moratorium Evaluation Date**" means, if a Potential Repudiation/Moratorium occurs on or prior to 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 such terms are defined in the Physical Settlement Matrix) Tokyo time)):

(a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of:

(i) the date that is 60 days after the date of such Potential Repudiation/Moratorium; and

(ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date); and

(b) 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.

"**Resolve**" has the meaning given to that term in the Rules, and "**Resolved**", "**Resolves**" and "**Resolution**" shall be interpreted accordingly.

"**Restructured Bond or Loan**" means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

"**Restructuring**" means:

(a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of such Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority

in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date 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 a Permitted Currency.

(b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:

(i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty on the Functioning of the European Union;

(ii) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) (inclusive) 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 (i) to (v) (inclusive) 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 (a) and (b) above and Credit-Linked Condition 8(d), 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 relation to a Reference Entity, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) above shall continue to refer to the Reference Entity.

"**Restructuring Date**" means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"**Restructuring Exercise Date**" means the date that is 65 Business Days following the Final List Publication Date.

"**Restructuring Maturity Limitation Date**" means, with respect to a Deliverable 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) either:

(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.

"**Revised Currency Rate**" means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either:

(a) by reference to the Currency Rate Source as at the Next Currency Fixing time; or

(b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner after consultation with the parties.

"**Rules**" means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"**Scheduled Maturity Date**" means the date specified as such in the applicable Final Terms which shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the applicable Final Terms.

"**Senior Obligation**" means, for the purposes of the definitions of "Subordination" and "Subordinated Obligation", an obligation of the Reference Entity to which the Subordinated Obligation is being compared.

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms, or if no currency is so specified in the Final Terms, the Specified Currency.

"**Settlement Method**" means the settlement method specified as such in the Final Terms and if no Settlement Method is specified in the Final Terms, Auction Settlement.

"**Settlement Valuation Date**" means the date being three CLN Business Days prior to the Delivery Date provided that if a Notice of Physical Settlement is given or, as the case may be, changed at any time after the third CLN Business Day prior to the Physical Settlement Date, the Settlement Valuation Date shall be the date which is three CLN Business Days after such Notice of Physical Settlement is given.

"**Single Reference Entity CLN**" means Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only 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 relation to a Reference Entity,

and, subject as set out in the definition of "Deliverable Obligation Category", having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case, immediately preceding the date on which such Restructuring is

legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

"**Specified Currency**" means, for the purposes of determining compliance with the Obligations Characteristics and Deliverable Obligation Characteristics only an obligation that is payable in the currency or currencies specified as such in relation to a Reference Entity (or, if Specified Currency is specified in the Final Terms and no currency is so specified, any of the Standard Specified Currencies.

"**Standard Specified Currencies**" means the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies.

"**Subordinated Obligation**" means, for the purposes of the definitions of "Subordination" and "Senior Obligation", an obligation of the Reference Entity which is being compared to such Senior Obligation.

"**Subordination**" means, with respect to a Subordinated Obligation and a Senior Obligation, a contractual, trust or other similar arrangement providing that (a) 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 (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

"**Substitute Reference Obligation**" means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in relation to a Reference Entity, 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 a 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 such Reference Entity enforceable in accordance with its terms, or

(C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

(b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that:

(i) ranks pari passu (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligations and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date);

(ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Credit-Linked Notes; and

(iii) 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 relation to a Reference Entity, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

(c) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(d) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(e) If:

(i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or

(ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to the Credit-Linked Notes, any of the events set forth under (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date.

(f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

"**succeed**" for the purposes of the provisions relating to the determination of Successor and the definitions of "Successor" and "Succession Event", means, 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 clause (a) of 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 an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, "Succession Event" shall not include an event:

(i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event; or

(ii) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the Physical Settlement Matrix), Tokyo time)).

"**Succession Event Backstop Date**" means:

(a) for purposes of any event that constitutes a Succession Event in relation to the Reference Entity, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request 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 such terms are defined in the Physical Settlement Matrix), Tokyo time)); or

(b) otherwise, the date that is 90 calendar days prior to the earlier of:

(i) the date on which the Issuer determines that a Succession Event has occurred; and

(ii) the Succession Event Resolution Request Date, if:

(A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules;

(B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters; and

(C) the Issuer and/or the Calculation Agent determines, not more than fifteen CLN Business Days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, that a Succession Event has occurred.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless the parties specify in the Final Terms that the Succession Event Backstop Date will be adjusted in accordance with a specified Business Day Convention.

"**Succession Event Resolution Request Date**" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred:

(i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event; or

(ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"**Successor**" means in relation to any Reference Entity, each Successor that ISDA has publicly announced, including prior to the Trade Date, that the relevant Credit Derivatives Determinations Committee has Resolved is a Successor to the original Reference Entity pursuant to a Succession Event that occurred on or following the Succession Event Backstop Date in accordance with the Rules; or if no Successor has been identified by a Credit Derivatives Determinations Committee:

(a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set out below:

(i) if one entity directly or indirectly succeeds to 75 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 in respect of the relevant Reference Entity;

(ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor in respect of the relevant Reference Entity;

(iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remains with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor;

(iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor;

(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 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor; and

(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 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (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.

(b) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (a) above, 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 14 calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set out in (a)(i) to (vi) (inclusive) above have been met, or which entity qualifies under (a)(vi) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set out in (a) above have been met, or which entity qualifies under (a)(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 the matters described in sub-paragraph (a) above and sub-paragraphs (a) and (b) of the definition of "Succession Event Resolution Request Date" are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor); or

(B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of any Hedge Transaction has occurred.

In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under sub-paragraph (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 and shall notify the parties of such calculation, 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 and shall notify the Issuer and the Noteholders of such calculation.

"**Supranational Organisation**" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

"**Surviving Reference Entity**" has the meaning given to such term in Credit-Linked Condition (6)(b)(ii) above.

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

"**Transaction Auction Settlement Terms**" means, in respect of any Reference Entity and a related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA in respect of such Credit Event and in respect of which the Notional Credit Derivative Transaction would be an Auction Covered Transaction.

"**Transaction Type**" means, unless otherwise specified in the Final Terms, each "Transaction Type" specified as such in the Physical Settlement Matrix from time to time.

"**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or

(b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds,

and, if specified as applicable to a Deliverable Obligation Category, the Transferable Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are not Loans.

"**Undeliverable Obligation**" means a Deliverable Obligation included in the Notice of Physical Settlement which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure by the Noteholder to deliver an Asset Transfer Notice, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Physical Settlement Date.

"**Undeliverable Valuation Date**" means the date that is five CLN Business Days after the Latest Permissible Physical Settlement Date or, as applicable, the Extended Physical Settlement Date.

"**Underlying Finance Instrument**" means where the LPN Issuer provides finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument.

"**Underlying Loan**" means where the LPN Issuer provides a loan to the Reference Entity.

"**Underlying Obligation**" means an obligation in respect of which the Reference Entity has agreed to pay all the amounts due thereunder.

"**Underlying Obligor**" means, the party which is the actual obligor of an Underlying Obligation.

"**Unwind Costs**" means the amount specified in the applicable Final Terms or if "**Standard Unwind Costs**" are specified in the applicable Final Terms (or in the absence of any such specification), an amount, subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Credit-Linked Notes and the related termination, settlement or re-

establishment of any Hedge Transaction, such amount to be apportioned pro rata amongst the nominal amount of each Credit-Linked Note equal to the Calculation Amount set out in the applicable Final Terms.

"**Valuation Date**" means:

(a) any CLN Business Day falling between the 55th and the 122nd CLN Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later CLN Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or

(b) if "Cash Settlement" is applicable as a Fallback Settlement Method, any CLN Business Day falling between the 55th and the 122nd CLN Business Day following the Event Determination Date, or, following any Auction Cancellation Date or No Auction Announcement Date, such later CLN Business Day, (in each case, as selected by the Calculation Agent in its sole and absolute discretion); or

(c) if Partial Cash Settlement applies, the date which is up to fifteen CLN Business Days after the Latest Permissible Physical Settlement Date or, as applicable the Extended Physical Settlement Date (as selected by the Calculation Agent in its sole and absolute discretion).

"**Valuation Obligation**" means, in respect of a Reference Entity, notwithstanding anything to the contrary in the Credit-Linked Conditions, one or more obligations of such Reference Entity (either directly or as provider of a Qualifying Guarantee or, as the case may be, Qualifying Affiliate Guarantee), which would constitute a "Deliverable Obligation" if Physical Settlement were the applicable Settlement Method as selected by the Issuer in its sole and absolute discretion on the applicable Valuation Date, provided that, for such purpose:

(a) any reference to the words "Delivery Date" in the definitions of "Conditionally Transferable Obligation", "Deliverable Obligation", within any of the terms comprising "Deliverable Obligation Category" or "Deliverable Obligation Characteristic" and "Due and Payable Amount" shall be deemed to be a reference to the words "Relevant Valuation Date";

(b) the deletion of the words "being Delivered" in the definition of "Deliverable Obligation"; and

(c) the deletion of the whole of the second paragraph within the definition of "Not Contingent" and replacing it with the following:

"If an Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Obligation may only be included in the Valuation Obligations Portfolio if the rights referred to in clauses (i) and (ii) above have not been exercised (or such exercise has been effectively rescinded) on or before the Relevant Valuation Date."

For the avoidance of doubt, the use of Deliverable Obligation terms in the definition of "Valuation Obligation" is for convenience only and is not intended to amend the selected settlement method.

"**Valuation Obligations Portfolio**" means one or more Valuation Obligations of a Reference Entity selected by the Calculation Agent in its discretion, each in an Outstanding Principal Balance selected by the Calculation Agent in its sole and absolute discretion provided that the aggregate of such Outstanding Principal Balances (or in each case the equivalent in the Specified Currency thereof (converted at the foreign exchange rate prevailing on any date from (and including) the Event Determination Date to (and including) the Valuation Date, as selected by the Calculation Agent in its sole and absolute discretion)), shall not exceed the relevant Reference Entity Notional Amount.

"**Valuation Time**" means the time specified in relation to a Reference Entity or, if no time is so specified, 11.00 a.m. in the principal trading market for the relevant Valuation Obligation or Undeliverable Obligation, as the case may be.

"**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 Final Price**" means the weighted average of the Final Prices determined for each selected Valuation Obligation in the Valuation Obligations Portfolio, weighted by the Currency Amount of each such Valuation Obligation (or its

equivalent in the Settlement Currency, converted by the Calculation Agent, in a commercially reasonable manner, by reference to exchange rates in effect at the time of such determination).

"**Weighted Average Quotation**" means, in accordance with the bid quotations provided by the CLN Dealers, the weighted average of firm quotations obtained from the CLN Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation, Deliverable Obligation or Undeliverable Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (in the case of Deliverable Obligations only, but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

ANNEX TO PART 5: CREDIT-LINKED NOTES

AUCTION SETTLEMENT TERMS ANNEX

If an Event Determination Date occurs with respect to the Credit-Linked Notes and Auction Settlement applies, the Settlement Amount with respect to the Credit-Linked Notes may be calculated based on the Auction Final Price for the Reference Entity (if any). This Annex contains a summary of certain provisions of the Form of Credit Derivatives Auction Settlement Terms set forth at Annex B to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions, published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") on 12 March 2009 (the "**Form of Auction Settlement Terms**") and is qualified by reference to the detailed provisions thereof and is subject to amendment from time to time in accordance with the Rules, including any amendment following the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement dated 14 July 2009, as published by ISDA (the "**July 2009 Supplement**"). The July 2009 Supplement extended the auction hardwiring process to Restructuring credit events. Following a Restructuring credit event, more than one auction may be held and there may be more than one Auction Final Price and credit default swaps are grouped into buckets by maturity and depending on which party triggers the credit default swap. Deliverable obligations will be identified for each bucket (any deliverable obligations included in a shorter bucket will also be deliverable for all longer buckets). If the Credit Derivatives Determinations Committee determines to hold an auction for a particular bucket, then that auction will be held according to the existing auction methodology that has previously been used for Bankruptcy and Failure to Pay credit events as described in the summary below, except that the deliverable obligations will be limited to those falling within the relevant maturity bucket.

The following does not purport to be a complete summary and prospective investors must refer to the Form of Auction Settlement Terms for detailed information regarding the auction methodology set forth therein (the "**Auction Methodology**"). The Auction and the Auction Methodology apply to credit default swaps on the Reference Entity and do not apply specifically to the Credit-Linked Notes. A copy of the Form of Auction Settlement Terms may be inspected at the offices of the Issuer and is also currently available at www.isda.org.

Noteholders should be aware that this summary of the Form of Auction Settlement Terms is accurate only as of the date hereof and the Form of Auction Settlement Terms may be amended from time to time without consultation with Noteholders. At any time after the date hereof, the latest Form of Auction Settlement Terms will be available on the ISDA website at www.isda.org (or any successor website thereto). Further, notwithstanding the fact that the Form of Auction Settlement Terms (as may be amended from time to time) appears on the ISDA website, Noteholders should note that the Credit Derivatives Determinations Committees have the power to amend the form of Credit Derivatives Auction Settlement Terms for a particular auction and that this summary may therefore not be accurate in all cases.

Capitalized terms used but not defined in this summary have the meaning specified in the Rules and the Form of Auction Settlement Terms. All times of day in this summary refer to such times in London.

Publication of Credit Derivatives Auction Settlement Terms

Pursuant to the Credit Derivatives Determinations Committees Rules set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on March 12, 2009) (the "**Rules**"), a Credit Derivatives Determinations Committee may determine that a Credit Event has occurred in respect of a Reference Entity (such entity, an "**Affected Reference Entity**") and that one or more auctions will be held in order to settle affected transactions referencing such Affected Reference Entity based upon an Auction Final Price determined in accordance with an auction procedure as set forth in the Form of Auction Settlement Terms (each, an "**Auction**"). If an Auction is to be held, the Credit Derivatives Determinations Committee will publish Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, based upon the Form of Auction Settlement Terms. In doing so, the Credit Derivatives Determinations Committee will make several related determinations, including the date on which the Auction will be held (the "**Auction Date**"), the institutions that will act as participating bidders in the Auction (the "**Participating Bidders**") and the supplemental terms that are detailed in Schedule 1 to the Form of Auction Settlement Terms. The Credit Derivatives Determinations Committee may also amend the Form of Auction Settlement Terms for a particular auction and may determine that a public comment period is necessary in order to effect such an amendment if such amendment is not contemplated by the Rules.

Auction Methodology

Determining the Auction Currency Rate

On the Auction Currency Fixing Date, the Administrators will determine the rate of conversion (each, an "**Auction Currency Rate**") as between the Relevant Currency and the currency of denomination of each Deliverable Obligation (each, a "**Relevant Pairing**") by reference to a Currency Rate Source or, if such Currency Rate Source is unavailable, by seeking mid-market rates of conversion from Participating Bidders (determined by each such Participating Bidder in a commercially reasonable manner) for each such Relevant Pairing. If rates of conversion are sought from Participating Bidders and more than three such rates are obtained by the Administrators, the Auction Currency Rate will be the arithmetic mean of such rates, without regard to the rates having the highest and lowest values. If exactly three rates are obtained, the Auction Currency Rate will be the rate remaining after disregarding the rates having the highest and lowest values. For this purpose, if more than one rate has the same highest or lowest value, then one of such rates shall be disregarded. If fewer than three rates are obtained, it will be deemed that the Auction Currency Rate cannot be determined for such Relevant Pairing.

Initial Bidding Period

During the Initial Bidding Period, Participating Bidders will submit to the Administrators: (a) Initial Market Bids; (b) Initial Market Offers; (c) Dealer Physical Settlement Requests; and (d) Customer Physical Settlement Requests (to the extent received from customers).

Initial Market Bids and Initial Market Offers are firm quotations, expressed as percentages, to enter into credit derivative transactions in respect of the Affected Reference Entity on terms equivalent to the Representative Auction-Settled Transaction.

The Initial Market Bid and Initial Market Offer submitted by each Participating Bidder must differ by no more than the designated Maximum Initial Market Bid-Offer Spread and must be an integral multiple of the Relevant Pricing Increment (each as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity). The Initial Market Bid must be less than the Initial Market Offer.

Dealer Physical Settlement Requests and Customer Physical Settlement Requests are firm commitments, submitted by a Participating Bidder, on its own behalf or on behalf of a customer, as applicable, to enter into a Representative Auction-Settled Transaction, in each case, as seller (in which case, such commitment will be a "**Physical Settlement Buy Request**") or as buyer (in which case, such commitment will be a "**Physical Settlement Sell Request**"). Each Dealer Physical Settlement Request must be, to the best of such Participating Bidder's knowledge and belief, in the same direction as, and not in excess of, its Market Position. Each Customer Physical Settlement Request must be, to the best of the relevant customer's knowledge and belief (aggregated with all Customer Physical Settlement Requests submitted by such customer), in the same direction as, and not in excess of, its Market Position.

If the Administrators do not receive valid Initial Market Bids and Initial Market Offers from at least a minimum number of Participating Bidders (as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity), the timeline will be adjusted and the Initial Bidding Period extended, with the Auction recommencing at such time(s) specified by the Administrators, otherwise it will proceed as follows.

Determination of Open Interest, Initial Market Midpoint and Adjustment Amounts

The Administrators will calculate the Open Interest, the Initial Market Midpoint and any Adjustment Amounts in respect of the Auction.

The Open Interest is the difference between all Physical Settlement Sell Requests and all Physical Settlement Buy Requests.

To determine the Initial Market Midpoint, the Administrators will: (a) sort the Initial Market Bids in descending order and the Initial Market Offers in ascending order, identifying non-tradeable markets for which bids are lower than offers; (b) sort non-tradeable markets in terms of tightness of spread between Initial Market Bid and Initial Market Offer; and (c) identify that half of the non-tradeable markets with the tightest spreads. The Initial Market Midpoint is determined as the arithmetic mean of the Initial Market Bids and Initial Market Offers contained in the half of non-tradeable markets with the tightest spreads.

Any Participating Bidder whose Initial Market Bid or Initial Market Offer forms part of a tradeable market will be required to make a payment to ISDA on the third Business Day after the Auction Final Price Determination Date (an "**Adjustment Amount**"), calculated in accordance with the Auction Methodology. Any payments of Adjustment Amounts shall be used by ISDA to defray any costs related to any auction that ISDA has coordinated, or that ISDA will in the future coordinate, for purposes of settlement of credit derivative transactions.

If for any reason no single Initial Market Midpoint can be determined, the procedure set out above may be repeated.

At or prior to the Initial Bidding Information Publication Time on any day on which the Initial Bidding Period has successfully concluded, the Administrators publish the Open Interest, the Initial Market Midpoint and the details of any Adjustment Amounts in respect of the Auction.

If the Open Interest is zero, the Auction Final Price will be the Initial Market Midpoint.

Submission of Limit Order Submissions

In the event that the Open Interest does not equal zero, a subsequent bidding period will be commenced during the Initial Bidding Period which: (a) if the Open Interest is an offer to sell Deliverable Obligations, Participating Bidders submit Limit Bids; or (b) if the Open Interest is a bid to purchase Deliverable Obligations, Limit Offers, in each case, on behalf of customers and for their own account.

Matching bids and offers

If the Open Interest is a bid to purchase Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Offers and Limit Offers, as further described in the Auction Methodology. If the Open Interest is an offer to sell Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Bids and Limit Bids, as further described in the Auction Methodology.

(a) Auction Final Price when the Open Interest is Filled

The Auction Final Price will be the price associated with the matched Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, that is the highest offer or the lowest bid, as applicable, provided that: (a) if the Open Interest is an offer to sell and the price associated with the lowest matched bid exceeds the Initial Market Midpoint by more than the "Cap Amount" (being the percentage that is equal to one half of the Maximum Initial Market Bid-Offer Spread (rounded to the nearest Relevant Pricing Increment)), then the Auction Final Price will be the Initial Market Midpoint plus the Cap Amount; and (b) if the Open Interest is a bid to purchase and the Initial Market Midpoint exceeds the price associated with the highest offer by more than the Cap Amount, then the Auction Final Price will be the Initial Market Midpoint minus the Cap Amount.

(b) Auction Final Price when the Open Interest is Not Filled

If, once all the Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, have been matched to the Open Interest, part of the Open Interest remains, the Auction Final Price will be: (a) if the Open Interest is a bid to purchase Deliverable Obligations, the greater of (i) zero, and (ii) the highest Limit Offer or Initial Market Offer received; or (b) if the Open Interest is an offer to sell Deliverable Obligations, zero.

100 per cent. Cap to Auction Final Price

In all cases, if the Auction Final Price determined pursuant to the Auction Methodology is greater than 100 per cent., then the Auction Final Price will be deemed to be 100 per cent.

Publication of Auction Final Price

At or prior to the Subsequent Bidding Information Publication Time on any day on which the subsequent bidding period has successfully concluded, the Administrators will publish on their websites: (a) the Auction Final Price; (b) the names of the Participating Bidders who submitted bids, offers, valid Dealer Physical Settlement Requests and valid Customer Physical

Settlement Requests, together with the details of all such bids and offers submitted by each; and (c) the details and size of all matched trades.

Execution of Trades Formed in the Auction

Each Participating Bidder whose Limit Bid or Initial Market Bid (or Limit Offer or Initial Market Offer if applicable) is matched against the Open Interest, and each Participating Bidder that submitted a Customer Physical Settlement Request or Dealer Physical Settlement Request, is deemed to have entered into a Representative Auction-Settled Transaction, and each customer that submitted such a Limit Bid, Limit Offer, or Physical Settlement Request is deemed to have entered into a Representative Auction-Settled Transaction with the dealer through whom the customer submitted such bid or offer. Accordingly, each such Participating Bidder or customer that is a seller of Deliverable Obligations pursuant to a trade formed in the auction must deliver to the buyer to whom such Participating Bidder or customer has been matched a Notice of Physical Settlement indicating the Deliverable Obligations that it will deliver, and such Deliverable Obligations will be sold to the buyer in exchange for payment of the Auction Final Price.

Timing of Auction Settlement Provisions

If an Auction is held in respect of an Affected Reference Entity, it is expected that the relevant Auction Date will occur on the third Business Day immediately prior to the 30th calendar day after which the relevant Credit Derivatives Determinations Committee received the request from an eligible market participant (endorsed by a member of the relevant Credit Derivatives Determinations Committee) to resolve whether a Credit Event has occurred with respect to such Reference Entity.

In respect of an Affected Reference Entity for which an Auction is held, the Auction Settlement Date will occur on a Business Day following the Auction Final Price Determination Date, as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity.

USE OF PROCEEDS

The net proceeds from the issue of the Notes by Fortis Bank will be used by it to meet part of its financing requirements and for general corporate purposes and the net proceeds from the issue of the Notes issued by BP2F will be lent to the Guarantor, to be used by the Guarantor for the same purposes.

SUMMARY OF PROVISIONS RELATING TO GLOBAL NOTES

Notes deposited with a common depositary for Euroclear, Clearstream, Luxembourg

Each Series or Tranche, as the case may be, where the Notes issued in such Series or Tranche are initially in bearer form, will, unless otherwise provided in the relevant Final Terms initially be represented by a temporary Global Note, in bearer form without Coupons, with the Guarantee of the Guarantor endorsed thereon. Each temporary Global Note or, as the case may be, permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms will be deposited on behalf of the subscribers of the relevant Notes (i) with a common depositary (the "**Common Depositary**") for Euroclear and/or for Clearstream, Luxembourg, (ii) and/or any other relevant clearing system, or (iii) as otherwise agreed, on or about the issue date of the relevant Notes, and (only in the case of Notes issued by BP2F) each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The NGN form has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

No interest will be payable in respect of a temporary Global Note except as provided below. Upon deposit of the temporary Global Note(s) with the Common Depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear or Clearstream, Luxembourg or any other relevant clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

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

The temporary Global Notes and the permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

(1) *Exchange*: Each temporary Global Note will be exchangeable in whole or in part (A) for interests in a permanent Global Note upon (i) in the case of a CGN, presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent, and (ii) in the case of partial exchange of a NGN, confirmation from the common service provider that Euroclear and Clearstream, Luxembourg have made appropriate entries in their records to reflect the relevant exchange and, in the case of final exchange of a NGN surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent or destruction of the Temporary Global Note by the common safekeeper in accordance with the Agency Agreement, or (B) for Definitive Notes, in each case, with the Guarantee of the Guarantor endorsed thereon, on or after the first day following the expiry of 40 days after completion of the distribution of the relevant Tranche upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. If the relevant Final Terms so provides, each permanent Global Note is exchangeable in whole or, in the case of Partly-paid Notes only, in part for definitive Notes by the holder giving notice to the Fiscal Agent, or by the relevant Issuer giving notice to the Fiscal Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes as set out below.

(A) If so specified in the relevant Final Terms (i) on or after any Exchange Date (as defined below) or (ii) at any time or (B) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then upon the request of the holder of the permanent Global Note if either of the following events occurs: (a) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 9 occurs, the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Fiscal Agent. In exchange for any permanent Global Note the relevant Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest

or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), with the Guarantee of the Guarantor endorsed thereon, security printed in accordance with any applicable legal and competent authority, stock exchange or quotation system requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

"Exchange Date" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and on which Euroclear and Clearstream, Luxembourg and any other relevant clearing system are open for business.

If the relevant Issuer is prevented as a result of any legal requirements from delivering, and procuring the delivery of, definitive Notes in exchange for temporary or permanent Global Notes as contemplated in the terms and conditions of the Notes, the relevant Issuer will use its best efforts to put in place an alternative arrangement which provides investors with the same economic results whilst complying with such legal requirements. Any physical delivery of Definitive Notes will be made outside Belgium.

(2) *Payments*: No payment falling due more than 40 days after the issue of any Tranche represented by a temporary Global Note will be made on that temporary Global Note unless exchange for an interest in a permanent Global Note is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after the completion of the distribution of such Tranche will only be made against presentation of certification as to non-U.S. beneficial ownership as set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

(3) *Notices*: So long as Notes of any Series are represented by a Global Note notices may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or any other relevant clearing system for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in the United Kingdom, but publication in the *Luxemburger Wort* or the website of the Luxembourg Stock Exchange (*www.bourse.lu*) (in the case of Notes listed on the Official List and admitted to trading on the Luxembourg Regulated Market) and/or such other place as may be required by the rules and regulations of such other competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation will be maintained for so long as the Notes of the Series in respect of which the notice is to be published are admitted to listing on the official list and to trading on the Luxembourg Regulated Market and/or admitted to listing, trading and/or quotation by such other competent authority, stock exchange and/or quotation system.

(4) *Prescription*: Claims against the relevant Issuer in respect of principal and interest (as each is defined in the Conditions) on Notes while the Notes of that Series are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

(5) *Meetings*: The bearer of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each unit of currency relating to the principal amount of Notes (as set out in the relevant Final Terms or Drawdown Prospectus (as the case may be) held by such bearer for which such permanent Global Note may be exchanged.

(6) *Purchase and Cancellation*: Cancellation of any Note surrendered for cancellation by the relevant Issuer following its purchase will be effected by reduction in the principal amount of the relevant permanent Global Note.

(7) *Issuer's Option*: No selection of Notes by drawing lots will be required under Condition 5(e) in the event that the relevant Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a permanent Global Note. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with Euroclear and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of Euroclear and Clearstream, Luxembourg.

(8) *Noteholders' Option*: Any Noteholders' option may be exercised by the holder of a permanent Global Note giving notice to the Fiscal Agent of the principal amount of Notes in respect of which the option is exercised and presenting such permanent Global Note for endorsement of exercise within the time limits specified in the Conditions.

(9) *Default*: As more fully described in the Global Notes, each Global Note shall become void in whole or in part on the seventh day after notice is served by the person or persons shown in the records of Euroclear or Clearstream, Luxembourg or any other relevant clearing system as the holder or holders of the Notes in respect of which notice is served (the *"Relevant Accountholder"*) upon the occurrence of an event of default. In such circumstances each Relevant Accountholder shall acquire, under a deed of covenant dated 17 June 2011 executed by the Issuers and the Guarantor (the *"Deed of Covenant"*) against the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor all rights which the Relevant Accountholder in question would have had if, immediately before the Global Note became void, it had been holder of definitive Notes issued on the issue date of the Global Note in an aggregate principal amount equal to the principal amount of the Notes in respect of which such Relevant Accountholder is shown in the records of Euroclear or Clearstream, Luxembourg or any other relevant clearing system.

(10) *Partly-paid Notes*: The provisions relating to Partly-paid Notes will be contained in the Global Notes. For so long as any installments of the subscription moneys due from the holder of Partly-paid Notes are due, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the relevant Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

(11) *Notes with a Specified Denomination of EUR 50,000*: In relation to any Notes with a Specified Denomination of EUR 50,000 and higher integral multiples of EUR 1,000, so long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, such Notes will be tradeable only in the minimum authorised denomination of EUR 50,000 and higher integral multiples of EUR 1,000, notwithstanding that no definitive notes will be issued with a denomination above EUR 99,000.

Notes issued by Fortis Bank and clearing through the X/N System

If so provided in the relevant Final Terms, each Series or Tranche, as the case may be, issued by Fortis Bank, where the Notes issued in such Series or Tranche are initially in bearer form, will be represented by a permanent Global Note, in bearer form without Coupons, which will be deposited with the NBB as operator of the X/N System or its custodian on or about the issue date of the relevant Notes. Upon receipt of the permanent Global Note the NBB will credit the accounts of its participants, which include Euroclear's and Clearstream, Luxembourg's account, being an Exempt Account, in the X/N System with an aggregate amount equivalent to the principal amount of the permanent Global Note. Euroclear and Clearstream, Luxembourg will then credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. Notes issued by Fortis Bank and deposited with the NBB are recognised as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any times during their life.

Ownership of beneficial interests in the permanent Global Note will be limited to persons who maintain accounts with the X/N System, Euroclear and Clearstream, Luxembourg or persons who hold interests through such persons and which are Eligible Investors holding the Notes in an exempt Notes account. Certain types of Belgian investors (being those that are not eligible for holding "X-accounts"), however, may not hold their Notes through Euroclear or Clearstream, Luxembourg (save if they do so through another intermediary financial institution which is also a participant in the X/N Clearing System and which will be responsible for the withholding of tax). Please refer to the section entitled *"Taxation — Belgium"* below. Ownership of beneficial interests in the permanent Global Note will be shown on, and the transfer of such interests will be effected only through, records maintained by the X/N System, Euroclear and Clearstream, Luxembourg and in accordance with the applicable procedures of the X/N System, Euroclear and Clearstream, Luxembourg.

Each of the persons shown in the records of the X/N System, Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in the permanent Global Note (each an *"Accountholder"*) must look solely to the X/N System, Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by Fortis Bank to the bearer of such permanent Global Note and in relation to all other rights arising under the permanent Global Note. For so long as the Notes are represented by the permanent Global Note, Accountholders shall have no claim directly against Fortis Bank in respect of payments due under the Notes and such obligations of Fortis Bank will be discharged by payment to the bearer of the permanent Global Note.

The permanent Global Note contains provisions which apply to the Notes while in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

(1) *Exchange for definitive Notes*: If the relevant Final Terms so provide, each permanent Global Note is exchangeable in whole or, in the case of Partly-paid Notes only, in part for definitive Notes by the holder giving notice to the Domiciliary Agent, or by the Issuer giving notice to the Domiciliary Agent and the Noteholders, of its intention to exchange such permanent Global Note for definitive Notes as set out below:

(A) If so specified in the relevant Final Terms (i) on or after any Exchange Date (as defined below) or (ii) at any time or (B) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then upon the request of the holder of the permanent Global Note if either of the following events occurs: (a) if the X/N System, Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 9 occurs, the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Domiciliary Agent. In exchange for any permanent Global Note Fortis Bank will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), security printed in accordance with any applicable legal and competent authority, stock exchange or quotation system requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange of each permanent Global Note, Fortis Bank will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

"Exchange Date" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Domiciliary Agent is located and on which the X/N System, Euroclear and Clearstream, Luxembourg and any other relevant clearing system are open for business.

If the Issuer is prevented as a result of any legal requirements from delivering, and procuring the delivery of, definitive Notes in exchange for temporary or permanent Global Notes as contemplated in the terms and conditions of the Notes, the Issuer will use its best efforts to put in place an alternative arrangement which provides investors with the same economic results whilst complying with such legal requirements. Any physical delivery of Definitive Notes will take place outside Belgium.

(2) *Payments*: Payments in respect of the permanent Global Note will be made by or on behalf of the Issuer to the NBB for distribution to accountholders with the X/N System (in the case of payments in euro) or to Euroclear, Clearstream, Luxembourg and the Domiciliary Agent for distribution to the respective accountholders (in the case of payments in currencies other than euro).

(3) *Payment business day*: Subject as provided in the Conditions and the relevant Final Terms, while all the Notes are represented by the permanent Global Note and the permanent Global Note is deposited with the NBB or its custodian and cleared through the X/N System, all payments in respect of the permanent Global Note will be made on a day on which the X/N System is open. If payment is due on a day on which the X/N System is not open, the holder shall not be entitled to payment of the amount due until the next succeeding date on which the X/N System is open and shall not be entitled to any further interest or other payment in respect of any such delay.

(4) *Meetings*: The rights of accountholders with the X/N System, Euroclear, Clearstream, Luxembourg and/or any other clearing system (together, the *"Clearing Systems"*) in respect of meetings of Noteholders in relation to the Notes represented by the permanent Global Note will be governed by the standard procedures of such Clearing Systems and Belgian law. To the extent that the NBB does not attend and vote on behalf of Accountholders as instructed in accordance with the standard procedures of the Clearing Systems, Accountholder shall be entitled to attend and vote in such meetings in accordance with Belgian law and the Issuer shall recognise their entitlement accordingly. By accepting to hold the permanent Global Note, the NBB irrevocably authorises the Accountholders to act on its behalf in such circumstances.

(5) *Issuer's Option*: In the event that any option of Fortis Bank is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with the X/N System, Euroclear and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of the NBB, as the operator of the X/N System, the Euroclear and Clearstream, Luxembourg or, in the absence of such procedures, accountholders shall have the same rights as though they held Definitive Notes in an aggregate principal amount equal to the principal amount of such accountholders' entry in its securities account with such Clearing System in respect of the Notes represented by the permanent Global Note.

(6) *Noteholders' Option*: Any option of the Noteholders provided for in the Conditions may be exercised by accountholders directly as though they held Definitive Notes in an aggregate principal amount equal to the principal amount of such Accountholders' entry in its securities account with such Clearing System in respect of the Notes represented by the permanent Global Note.

(7) *Default*: As more fully described in the permanent Global Notes, each permanent Global Note shall become void in whole or in part on the seventh day after notice is served by the person or persons shown in the records of the X/N System, Euroclear or Clearstream, Luxembourg or any other relevant clearing system as the holder or holders of the Notes in respect of which notice is served (the *"Relevant Accountholder"*) upon the occurrence of an event of default. In such circumstances each Relevant Accountholder shall acquire, under the Deed of Covenant against Fortis Bank all rights which the Relevant Accountholder in question would have had if immediately before the permanent Global Note became void, it had been holder of definitive Notes issued on the issue date of the permanent Global Note in an aggregate principal amount equal to the principal amount of the Notes in respect of which such Relevant Accountholder is shown in the records of the X/N System, Euroclear or Clearstream, Luxembourg or any other relevant clearing system.

(8) *Partly-paid Notes*: The provisions relating to Partly-paid Notes will be contained in the permanent Global Notes. For so long as any installments of the subscription moneys due from the holder of Partly-paid Notes are due, no interest in a permanent Global Note representing such Notes may be exchanged for definitive Notes. In the event that any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

DESCRIPTION OF FORTIS BANK NV/SA

1. General

Fortis Bank, incorporated in Belgium on 5 December 1934, is a public company with limited liability (*naamloze vennootschap/société anonyme*) under Belgian law. The registered office of the company is located at 1000 Brussels, Montagne du Parc 3, where its headquarters are based and its telephone number is +32 2 565 35 10. Fortis Bank has been established for an indefinite period.

As stated in article 3 of its Articles of Association, Fortis Bank's object is to carry on the business of a credit institution, including brokerage and transactions involving derivatives. It is free to carry out all businesses and operations which are directly or indirectly related to its purpose or which are of a nature that benefit the realisation thereof. Fortis Bank is free to hold shares and share interests within the limits set by the legal framework for banks.

Fortis Bank is registered in the Register of Legal Entities of Brussels under the number 0403.199.702.

Following the implementation on May 13, 2009 of a *protocole d'accord* dated October 10, 2008 (and as further amended) between BNP Paribas, the Belgian Federal Public Service for Participations and Investments (**"SFPI/FPIM"**), Fortis Holding and Fortis Bank, Fortis Bank (the **"Protocole d'Accord"**) is now owned at 74.93 per cent. by BNP Paribas, at 25 per cent. by the Belgian State, through the SFPI/FPIM, and at 0.07 per cent. by minority shareholders.

Since May 14, 2009, for its retail, private and commercial activities in the Belgian and Polish market, Fortis Bank operates under the commercial name of BNP Paribas Fortis.

In Belgium, Fortis Bank is subject to the supervision by both the prudential authority NBB (National Bank of Belgium) and the market authority FSMA (Financial Services and Markets Authority).

2. Business overview

Fortis Bank offers a comprehensive package of financial services through its own channels and via other partners to private, professional and wealthy clients in the Belgian market, as well as in Poland and Turkey. The bank also provides corporations and public and financial institutions with customised solutions, for which it can draw on BNP Paribas' know-how and international network. In the insurance sector, Fortis Bank works closely with the Belgian market leader AG Insurance, in which it owns a 25 per cent. stake. Fortis Bank employs 27,870 people.

Fortis Bank has built up a strong presence in the retail and private banking market, operating through a variety of distribution channels. In Belgium the company delivers universal banking and insurance services and solutions to its retail customers. In other countries, the product offer is tailored to specific customer segments. Private Banking offers integrated and international asset and liability management solutions to high net worth individuals in Belgium, their businesses and their advisers.

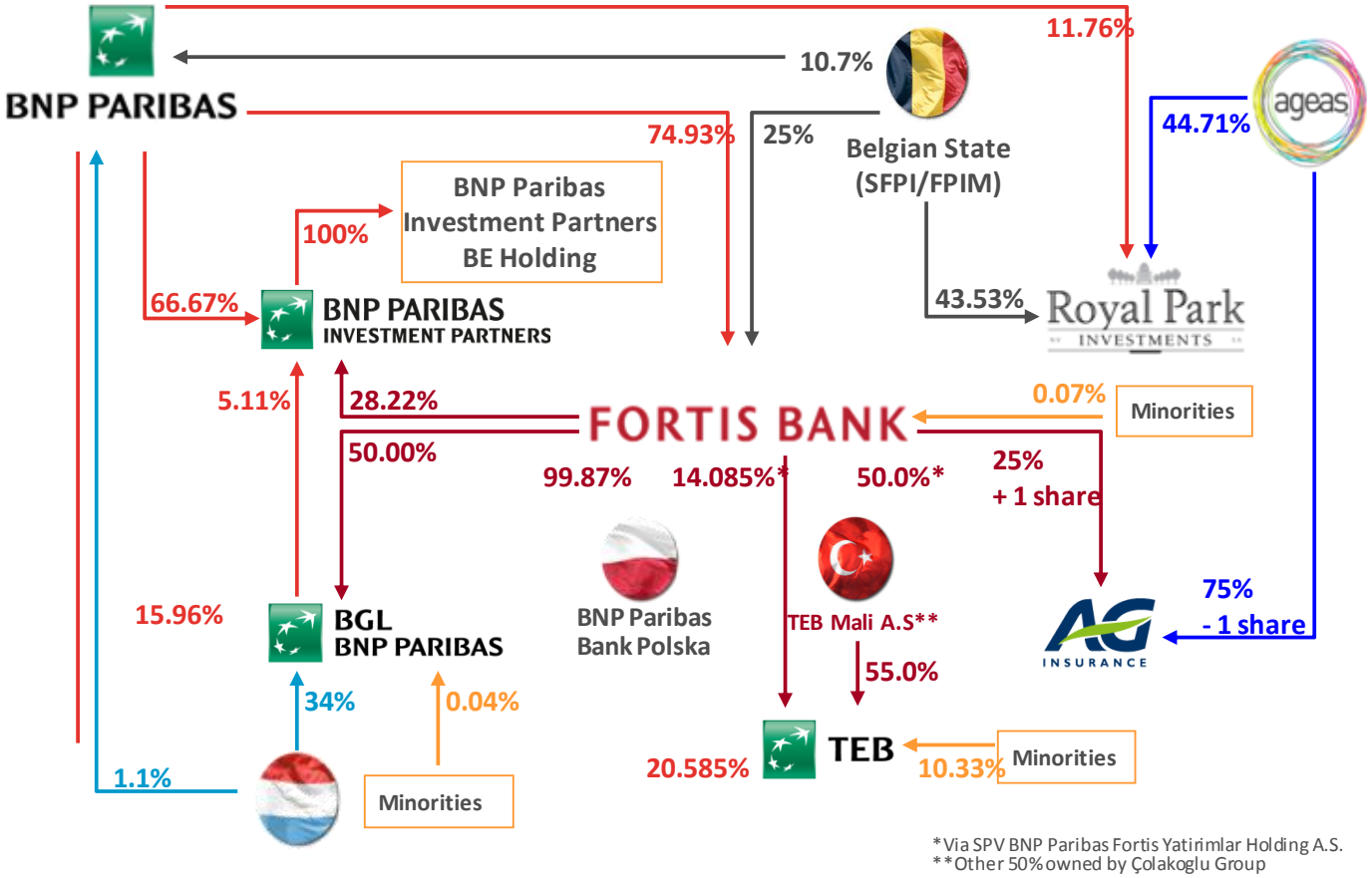
Fortis Bank also offers financial services to companies and institutional clients and provides integrated solutions to enterprise and entrepreneur. Corporate and Public Banking fulfils the financial needs of corporate and midcap enterprises, public entities and local authorities through an integrated international network of business centres.

Fortis Bank is part of the BNP Paribas group (the **"BNP Paribas Group"**) (of which BNP Paribas is the parent company), a European leader in banking and financial services. The BNP Paribas Group has one of the largest international banking networks, a presence in over 80 countries and 204,600 employees, including 162,800 in Europe. It enjoys key positions in its three activities: Retail banking (which includes the following operating entities: French Retail Banking (FRB), BNL banca commerciale (BNL bc), BancWest, BeLux Retail Banking, Europe Mediterranean, Personal Finance, Equipment Solutions), Investment Solutions and Corporate and Investment Banking.

At 31 December 2010, the BNP Paribas Group had consolidated assets of EUR 1,998,2 billion (compared to EUR 2,057.7 billion at 31 December 2009), consolidated loans and receivables due from customers of EUR 684.7 billion (compared to EUR 678.7 billion at 31 December 2009), consolidated items due to customers of EUR 580.9 billion (compared to EUR 604.9 billion at 31 December 2009) and shareholders' equity (BNP Paribas Group share including income for 2010) of EUR 74,6 billion (compared to EUR 69.5 billion at 31 December 2009). Pre-tax net income for the year ended December 31, 2010 was EUR13.02

billion (compared to EUR 9.0 billion for the year ended 31 December 2009). Net income, attributable to equity holders, for the year ended 31 December 2010 was EUR 7.84 billion (compared to EUR 5.83 billion for the year ended 31 December 2009).

3. Organisational structure (valid as at 6 June 2011)



4. The businesses of Fortis Bank

BNP Paribas took control of Fortis Bank on 12 May 2009 and increased its stake in Fortis Bank to 74.93 per cent. on 13 May 2009. The Belgian State, through its holding and investment arm, SFPI/FPIM (the Federal Holding and Investment Company), owns 25 per cent. of Fortis Bank while the remaining 0.07 per cent. of shares are held by the public.

The integration with BNP Paribas is progressing faster than expected. After a needs analysis was carried out in 2009 and an overall 'Industrial Plan' drawn up detailing the necessary integration projects, the implementation phase was launched in earnest in 2010. All business lines and activities were impacted by the 1,150 projects designed to achieve practical integration. Total expected synergies were revised upwards from EUR 900 million to EUR 1,200 million in 2012.

Changes in the scope of Fortis Bank SA/NV during 2010 include, inter alia:

- Completion of the sale of Fortis Investments to BNP Paribas and its integration within BNP Paribas Investment Partners SA, the Group's worldwide asset management arm.
- Fortis Bank took a 33.33% stake in BNP Paribas Investment Partners SA (28.22% directly and 5.11% through BGL BNP Paribas) and maintained unchanged its 25% + 1 share interest in AG Insurance, Belgian market leader in the insurance sector. The bank entered into a strategic partnership with AG Insurance in 2009 and the partnership agreement, which is due to run until at least 2020, provides for the distribution of AG Insurance products via BNP Paribas Fortis branches and Fintro intermediaries.

- BGL BNP Paribas (in which Fortis Bank SA/NV has a share of 50%) took a stake amounting to 33.33% + 1 share in BNP Paribas Leasing, a French holding company which has ownership of all the leasing companies in the BNP Paribas Group.
- In June 2010, BNP Paribas Fortis, the controlling shareholder of Fortis Bank Turkey, and BNP Paribas and the Colakoglu Group, the controlling shareholders of Turk Ekonomi Bankasi (TEB), announced their decision to merge the 2 banks. The legal merger was completed on 14 February 2011.

(i) Retail & Private Banking

Retail Banking offers financial services to individuals, the self-employed, members of independent professions and small businesses. Over four million customers currently use Fortis Bank's integrated banking and insurance services, through proprietary and third-party networks, all embedded in a multi-channel environment. Operating through a variety of distribution channels in Belgium, Fortis Bank provides services and advice on every aspect of daily banking, saving, investment, credit and insurance to a clearly segmented customer base. Fortis Bank in Poland targets affluent customers and small businesses, as well as consumer finance and mass retail business. Lastly, Fortis Bank's postal banking activities in Belgium — through Banque de La Poste — allow the company to offer an expanding product portfolio through the respective post office networks.

With EUR 54.0 billion in assets under management as at 31 December 2010[1], the private bank is the largest private banking services provider in the Belgian market. The private bank has been reorganised, resulting in upgraded customer service and entails a new segmentation. Individual clients with assets of more than EUR 250,000 are eligible for private banking services. An expanded network of 36 private banking centres gives the 65,000 clients in this segment access to personalised services. Wealth Management caters to about 1,500 clients with potential assets of more than EUR 4 million. These clients are primarily served via two Wealth Management Centres, in Antwerp and Brussels.

Market position

- Market leadership in Belgium.[2]

- In Belgium 1,014 branches operating under the BNP Paribas Fortis brand are complemented by 311 franchises under the Fintro brand and 650 points of sale of the 50/50 joint venture with Banque de La Poste.

- In Belgium, a network of 4,200 ATMs (cash withdrawals and deposits, non-cash machines and bank statement providers), online banking facilities (1.3 million users) and phone banking are linked up in the client relationship management (CRM) platform.

Key developments in 2010

- Belgium:

    - Strong progress in attracting new funds. The most significant growth engine was the Online Premium Savings Account, which was launched in December 2009.

    - Significant growth in business lending and in mortgage lending, with a rising market share. There was also an upswing in demand from small businesses.

    - Upgrade of the branch network (EUR 150 million investment until 2012) with the branch acting as the single local access point for all services, combining proximity and expertise.

    - Better knowledge of the client and better information sharing via Customer Relationship Model, leading to full application of the multi-channel model. Noteworthy here are the re-vamped, user-friendly website and the launch of Mobile Banking.

[1] Without the contribution of BNP Paribas Wealth Management Belgium
[2] Source: 2010 Annual Report of Fortis Bank

- Sustained customer satisfaction drive with notably higher customer satisfaction ratings in 2010 than in 2009, with expressions of satisfaction back up to pre-crisis levels.

- Significant efforts were made in the field of communication in order to regain public trust and create a distinctive BNP Paribas Fortis identity.

- Poland:

In 2010, Fortis Bank Polska resumed an active lending strategy towards its clients in individual and institutional with a campaign designed to support the financing of investments and current needs of both existing and new clients. The bank also signed an agreement with the European Investment Bank to finance investment of local corporates.

The bank continued to improve the competitiveness and breadth of its products for individual clients, be it mortgage loans, consumer loans, car loans or savings and investment products.

The perimeter of Fortis Bank Polska's activities changed in the first half of 2010 when the Polish Financial Supervision Authority gave its consent to acquire part of the business of the BNP Paribas Branch in Poland. The BNP Paribas Branch in Poland focuses now on the largest Polish corporations and institutions and sophisticated investment banking products, while Fortis Bank Polska provides services to large enterprises (both Polish and international), mostly in terms of banking services, plain vanilla financing, leasing, cash management and global trade services.

In June 2010 the Polish Financial Supervision Authority agreed to the transformation of Fortis Private Investments Polska SA (a 100% subsidiary of Fortis Bank Polska) into an asset management company ('Towarzystwo Funduszy Inwestycyjnych').

- Turkey:

Fortis Bank Turkey continued to develop its retail business with a strong emphasis on mortgage loans and personal loans, and a segmented offering in the SME market. The ATM network expanded significantly with, amongst others, the installment of 400 merchant ATM's in the Migros supermarket chain. Alternative distribution channels were further developed with new applications for internet and mobile banking, more particularly in the fields of loans, credit cards and deposits. In Corporate Banking margins suffered due to the high competition, but results were favorably impacted by high recoveries of loan loss provisions booked in 2009 and by almost no new provisions. Further decreasing interest rates in Turkish lira influenced positively the market activities, but had a negative impact on the commercial income.

In June 2010, BNP Paribas Fortis, the controlling shareholder of Fortis Bank Turkey, and BNP Paribas and the Colacoglu Group, the controlling shareholders of Turk Ekonomi Bankasi (TEB), announced their decision to merge the 2 banks. After having received the approval of the competent Turkish authorities, the two banks completed the legal merger on 14 February 2011. The merged bank ranks 9th in the Turkish banking sector in terms of loans and deposits market share. The operational merger is expected to be completed by the end of 2011.

(iii) **Corporate & Public Banking and Corporate & Investment Banking**

Corporate & Public Banking offers a comprehensive range of local and international financial services to Belgian enterprises, public entities and local authorities. The offering includes domestic banking products, specialist financial skills, and securities, insurance and real estate services. Skills include specialist ones such as trade services, cash management, factoring and leasing, as well as M&A and capital markets.

A central team of corporate bankers, relationship managers and skills officers ensure that Fortis Bank stays close to the market. This team, combined with the European network of business centres managed within Corporate & Investment Banking, enables the bank to offer unified commercial management to its Belgian clients locally and abroad.
The competence centre Global Factoring serves Retail, Commercial Banking and Corporate clients, providing them with domestic and multi-domestic factoring solutions throughout Europe, including financing, debt collection and accounts receivable management.

Corporate & Investment Banking (CIB) offers its clients (in Belgium and in Europe) a full access to BNP Paribas CIB's product portfolio. It consists of six business lines: Capital Markets, Structured Finance, Corporate Finance & Equity Capital Markets, Private Equity, Institutional Banking Group Europe, and Corporate Finance.

Capital Markets: a sustainable Capital Markets platform, focused on client-driven activities, is maintained in Brussels, with the objective to offer an enlarged product range through access to BNP Paribas platforms. In Fixed Income, Capital Markets serves mainly Belgian clients, with Fixed Income Trading desks also quoting flows from European Midcaps (clients of Corporate & Transaction Banking Europe). In Equity Derivatives, the focus is on serving Belgian clients, while some trading activity is maintained.

Structured Finance gathers the activities of Corporate Acquisition Finance, Leveraged Finance, Export Finance and Project Finance. A new regional platform for CIB is developed in Belgium, to serve clients the Benelux countries, Northern & Central Europe (including Greece) and Turkey (BNCET platform). The team in Brussels also manages the Public-Private Partnership financing for all Europe, leveraging expertise in this domain.

Corporate Finance is active in Merger & Acquisition Advisory and in Equity Capital Markets. Corporate Finance focuses on Belgian clients.

Private Equity continues to support the Belgian economy by investing in capital and mezzanine, allowing us to help our clients in their external development.

Institutional Banking Group Europe is responsible for the relationship management with financial institutions. It promotes flow banking and plain vanilla products.

Corporate & Transaction Banking Europe is an integrated banking network focused on servicing large mid-caps and international clients, and in particular subsidiaries of CIB clients throughout Europe. CTBE delivers daily banking products and services (Vanilla loans, Cash Management, Trade services, flow-hedging products, and when available leasing, factoring and Investment Solutions products) to well-known corporate and financial institution clients in 16 non-domestic countries in Europe through a network of more than 30 Business Centres, for proximity with clients. Corporate & Transaction Banking Europe operates in close collaboration with two Competence Centres based in Belgium and operating for the whole BNP Paribas group: Cash Management and Global Trade Solutions. Cash management provides companies with liquidity management services, as corporates are increasingly looking for global and homogeneous solutions at European level (e.g., SEPA solutions, cash pooling, payment factories). Meanwhile, these companies continue to need comprehensive local offerings. Global Trade Solutions assists companies in their international trading activities, providing, for instance, international guarantees for commercial agreements between parties in different countries.

Market positions

- Strong leadership position in Belgium with more than 450 corporate clients and 34,100 midcaps, and a challenger in public banking (1,300 clients).

- High penetration rate among selected European customers (e.g. internationally active SMEs).

5. **Fortis Bank NV/SA 2010 Financial Results**[1]

BNP Paribas Fortis delivered in 2010 a net profit attributable to shareholders of EUR 1,907 million. This positive result is due to a good commercial performance, low level of impairments and a EUR 970 million result on discontinued operations. The consolidated profit before discontinued operations amounted to EUR 1,180 million[2]. The rescoping of the bank went according to

[1] The Consolidated Financial Statements of Fortis Bank for the year ended 31 December 2010 are drawn up in alignment with the presentation used for the Consolidated Financial Statements of the parent company BNP Paribas, which differs significantly from the presentation used for the Consolidated Financial Statements of Fortis Bank for the year ended 31 December 2009. To facilitate the comparison between both financial years, Fortis Bank has restated the Consolidated Financial Statements of 2009 in accordance with the new presentation. The comments on the changes (2010 vs 2009) have to be understood based on the restated figures.

[2] The consolidated profit before discontinued operations of EUR 1,180 million, leads as follows to the net profit attributable to shareholders of EUR 1,907 million:

plan in 2010 with a positive impact on the results of the year and is now almost completed, which will lead to significant lower contributions of one-off operations to future results.

- Net interest income amounted to EUR 3,661 million, up 19% in comparison to 2009 thanks to strong volume growth in retail banking in Belgium and Luxembourg, lower funding costs and the inclusion of new entities in the consolidation scope (mainly TEB Bank in Turkey and BNP Paribas Luxembourg).

- Net fee and commission income reached EUR 1,155 million in 2010, up EUR 99 million (9%) compared to 2009, thanks to a good performance in the Belgian retail activities with higher income from securities transactions and payment services.

- Total revenues amounted to EUR 5,379 million in 2010, up EUR 799 million (17%).

- Operating expenses arrived at EUR 3,823 million in 2010, reflecting a EUR 250 million or 7% increase mainly due to restructuring costs in the frame of integration to BNP Paribas Group and scope changes after TEB Bank and BNP Paribas Luxembourg entered in the scope in 2010. Excluding the exceptional elements, expenses increased slightly driven by increased spending on IT investments as part of the industrial plan and higher contributions to the deposit guarantee scheme in Belgium off-setting the decrease in staff expenses due to a lower average workforce.

- Depreciation charges came in at EUR 303 million, a 10% increase mainly driven by accelerated depreciation of branches in the frame of reshaping the retail distribution network in Belgium.

- Cost of risk was a net reversal of EUR 3 million in 2010, against an exceptionally high level of cost of risk in 2009 of EUR 1.8 billion. The evolution in 2010 in credit risk related impairments reflects the overall economic recovery and benefited from the release of collective and sector provisions on loans and structured credit instruments.

The balance sheet total of Fortis Bank amounted to EUR 348 billion at the end of 2010, EUR 80 billion (19%) lower compared to the end of 2009. The evolution is due to scope changes in the course of 2010 and to the further de-risking of the balance sheet (total assets excluding scope changes decreased by EUR 41 billion). From a geographical point of view and based on the location of the Fortis Bank entities, 78% of assets are located in Belgium, 10% in Luxembourg and 12% in other countries. The Luxembourg part of total assets doubled in 2010 (from 5% to 10%) mainly due to BNP Paribas Luxembourg entering the scope and being merged with BGL BNP Paribas.

The liquidity of Fortis Bank improved further in the course of 2010 due to increasing retail and private banking deposits. Solvency likewise remained very strong. At 31 December 2010, Fortis Bank's tier 1 capital ratio amounted to 16.5%, compared to 12.3% on 31 December 2009. At 31 December 2010, the total capital ratio stood at 22.6%, well above the regulatory required minimum of 8%.

6. **Governance**

Board of Directors

The Board of Directors (Raad van Bestuur/Conseil d'Administration) of Fortis Bank SA/NV establishes the bank's strategy and supervises the activities of the Executive Board and of the independent control functions. The Board of Directors has 18 members, of which 12 members are non-executive and 6 members are executive. For the purpose of the Base Prospectus, the business address for each of the members of the Board of Directors is Montagne du Parc 3, 1000 Brussels.

Non-Executive members:

- Herman Daems, Chairman

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consolidated profit before discontinued operations (EUR 1,180 million)
+ net result of discontinued operations (EUR 970 million)
- net result attributable to minority interests (EUR 243 million)
= net profit attributable to shareholders (EUR 1,907 million)

- Georges Chodron de Courcel, Vice-Chairman
- Jean-Laurent Bonnafé
- Dirk Boogmans
- Wim Coumans
- Sophie Dutordoir
- Frédéric Lavenir
- Alain Papiasse
- Jean-Paul Pruvot
- Jean Stéphenne
- Thierry Varène
- Serge Wibaut

Executive members, composing the Executive Board (Directiecomité/Comité de Direction):

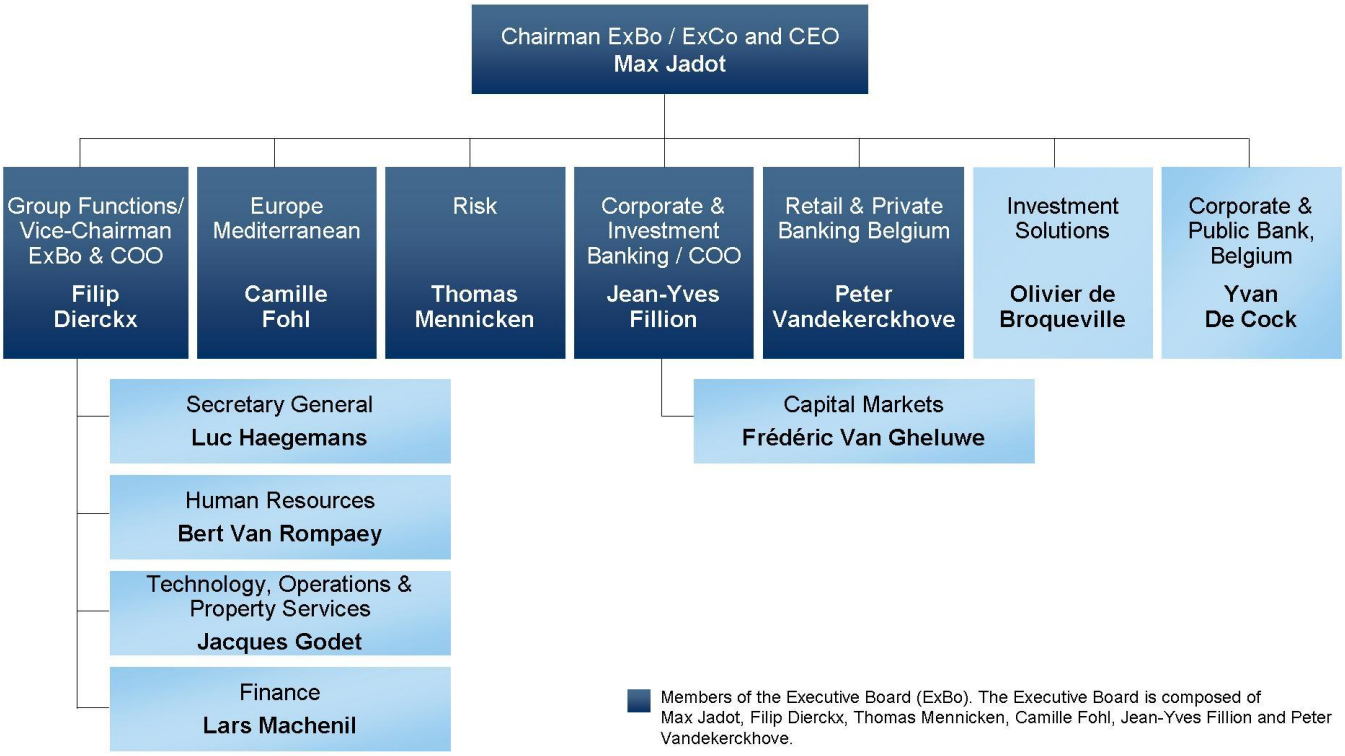
- Maxime Jadot, Chairman of the Executive Board/Executive Committee and CEO
- Filip Dierckx, Vice-Chairman of the Executive Board/Executive Committee
- Camille Fohl
- Thomas Mennicken
- Jean-Yves Fillion
- Peter Vandekerckhove

Executive Committee

The Executive Committee consists of 13 members, the six members of the Executive Board in their respective responsibilities, together with seven heads of businesses or support services (reporting line between brackets). The Executive Committee (Exco) is responsible for the execution of strategy and policy of Fortis Bank. For the purpose of the Base Prospectus, the business address for each of the members of the Executive Committee is Montagne du Parc 3, 1000 Brussels.

- Maxime Jadot, Chairman of the Executive Board/Executive Committee and CEO (specific responsibilities include global responsibility for all banking activities, in particular, banking activities in Belgium, Compliance, Audit and HR for key resources)
- Filip Dierckx, Vice Chairman of the Executive Board/Executive Committee, Chief Operating Officer and Head of Group functions (specific responsibilities include Finance, HR, IT & Operations and other services such as Legal, Tax, Secretary General and Communications)
- Camille Fohl, Head of Europe Mediterranean (specific responsibilities include International Retail Banking and BGL-relations)

- Thomas Mennicken, Chief Risk Officer
- Jean-Yves Fillion, Chief Operating Officer, Head of Corporate & Investment Banking (specific responsibilities include Capital Markets, Coverage, Corporate Finance, Structured Finance, Corporate & Transaction Banking Europe and Trade Solutions)
- Olivier de Broqueville: Investment Solutions
- Bert Van Rompaey: Human Resources
- Yvan De Cock: Corporate & Public Banking Belgium
- Lars Machenil: Finance
- Jacques Godet: IT & Operations
- Peter Vandekerckhove: Retail & Private Banking Belgium
- Frédéric Van Gheluwe: Global Markets
- Luc Haegemans: Secretary General



Principal activities performed by members of the Board of Directors and the Executive Committee outside Fortis Bank which are significant with respect to Fortis Bank

- Herman Daems: Barco, Chairman of the Board of Directors; Crossbow, Partner; Domo Chemicals, Permanent Representative of Crossbow; GIMV, Chairman of the Board of Directors; Vanbreda Risk and Benefits, Director; Vlaamse Participatiemaatschappij, Chairman; IPEV, Chairman; Heijmans Group, Member of the International Consultative Committee; Commissie Corporate Governance, Chairman; Adviesraad Euronext Brussel, Member; Adviesraad Trends, Member; VOKA, Director; Stichting Leuven Inc, Chairman.

- Georges Chodron de Courcel: Alstom, Director; BNP Paribas S.A., Chief Operator Officer; BNP Paribas (Suisse), Chairman; Bouygues, Director; Compagnie d'Investissement de Paris, Chairman; Erbé, Director; Exane, Non voting Director; F.P.F.(Société Foncière, Financière et de Participations), Director; Financière BNP Paribas, Chairman; Lagardère, Member of the Supervisory Board; Groupe Bruxelles Lambert, Director; Nexans, Director; Safran, Non voting Director; Scor, Non voting Director; Scor Global Life Rückversicherung Schweiz, Director; Scor Holding (Switzerland), Director; Scor Switzerland, Director; Verner Investissements, Director.

- Jean-Laurent Bonnafé: BNP Paribas S.A., Director & Chief Operator Officer; BNP Paribas Personal Finance S.A., Director; Banca Nazionale del Lavoro SpA, Director; Carrefour S.A., Director.

- Dirk Boogmans: DAB Management, Partner; Caesar Real Estate Fund, Chairman of the Board of Directors (via DAB); Collibra, Director; Ethias Finance, Director; Global Lifting Partners, Chairman of the Board of Directors; P & V

Verzekeringen, Director and President of the Audit committee (via DAB Management); THV Noriant, Chairman; Vinçotte International, Director; AIB Vinçotte International, Director; Vivium, Director and President of the Audit committee (via DAB); GIMV, Director; Primary Resources, Zaakvoerder; Senior Assist N.V. Lid Adviesraad.

- Wim Coumans: Bpost, Commissaire du gouvernement.
- Sophie Dutordoir: Electrabel Customer Solutions N.V., Chairman of the Board of Director & Director; Electrabel N.V., General Director; Brussels Network Operations cvba, Vice Chairman; Eandis cvba, Vice Chairman; HUB EHSAL vzw, Director; Festival van Vlaanderen Gent en Historische Steden vzw, Director; HUB KUBRUSSEL vzw, Director; VBO vzw, Member of the Executive Board; Iverlek (Opdrachthoudende vereniging), Director; Sibelga cvba, Director; FEBEG vzw, Chairman of the Board of Director & Director; GDF Suez Energy Deutschland A.G., Member of the Supervisory Board.
- Frédéric Lavenir: BNP Paribas, Member of the Executive Committee.
- Alain Papiasse: BNP Paribas, Member of the Executive Committee; BNP Paribas Investment Partners, Director; BNP Paribas UK Holdings, Director; Exane, Director.
- Jean-Paul Pruvot: L'Ardenne Prévoyante, Managing Director; BGL BNP Paribas, Director.
- Jean Stéphenne: Aseptic Technologies, Director; BESIX Group, Chairman of the Board of Directors; GlaxoSmithKline Biologicals, President & General Manager; GlaxoSmithKline Biologicals Manufacturing, Director; Groupe Bruxelles Lambert, Director; Ion Beam Applications, Director; Nanocyl, Director; Vesalius Biocapital I, President of the Board of Directors.
- Thierry Varène: BNP Paribas UK Holdings, Director; BNP Paribas, Member of the Executive Committee of Corporate & Investment Banking.
- Serge Wibaut: Gambit Financial Solutions, President of the Board of Directors; Reacfin, Director; Eurinvest, Director; Compagnie Européenne d'Assurance des Marchandises et des Bagages / Europese Goederen- en Reisbagageverzekeringsmaatschappij, Director; Nationale Suisse Assurance, Director.
- Filip Dierckx: I.V.D. NV, Chairman; S.D. Work for Society cbva/sa, Chairman; S.D. WORX vzw, Chairman; S.D. Private Stichting, Chairman; S.D. Diensten NV, Chairman; Fortis Private Equity Belgium, Member of the Board of Directors; Union Wallonne des Entreprises, Director; VOKA, Director; Europalia International vzw, Member of the Board of Directors; BNP Paribas Fortis Foundation, Chairman; BNP Paribas Belgian Branch, Mandataire Délégué; Belgische Federatie van het Financiewezen (Febelfin) / BVB, Vice Chairman & Member of the Board of Directors; Beschermingsfonds voor deposito's en financiële instrumenten,Board member; ZENO N.V., Chairman; Orientation Council Euronext, Member; Ginkgo Associates BVBA, Manager.
- Camille Fohl: FOGA, Active Partner; BGL BNP Paribas, Director; Fortis Bank Polska S.A. Warsaw (Poland), Chairman of the Supervisory Board; UkrSibbank Kiev Ukraine, Chairman; Foundation UCL – Luxembourg section, Director.
- Thomas Mennicken: None.
- Yvan De Cock: BNP Paribas Fortis Foundation, Director.
- Bert Van Rompaey: BNP Paribas Fortis Foundation, Director.
- Maxime Jadot: Fortis Private Equity Belgium, Director; BNP Paribas Fondation, Administrateur du Collège du Fondateur; Bekaert NV, Director; Finheuster NV, Director.
- Lars Machenil: BNP Paribas Belgian Branch, Mandataire Délégué; Fortis Bank Polska, Member of the Supervisory Board (on mandate Finance BNP Paribas Fortis).
- Jean-Yves Fillion: Fortis Private Equity, Director; BNP Paribas Fortis Foundation, Director.
- Peter Vandekerckhove: Finedit NV, Director; AG Insurance SA, Director; BNP Paribas Fortis Factor N.V., Director; BNP Paribas Fortis Foundation, Director; Belgische Federatie van het Financiewezen (Febelfin)/BVB, Director; Jonge

Ondernemingen vzw / Jeunes Entreprises asbl, Director; BNP Paribas Fortis Investment Partner (BNPP IP), Permanent Representative of Fortis Bank.

- Frédéric Van Gheluwe: None.
- Luc Haegemans: FainFood NV, Director; Genfinance International SA, Director; Be Face vzw / ASBL, Director; BNP Paribas Fortis Foundation, Vice Chairman & Director.
- Jacques Godet: None
- Olivier De Broqueville: Xerus Management SPRL, Manager; Grandis S.A., Director; Famille Broqueville ASBL, Chairman; LSM Alumni ASBL, Chairman; LSM Advisory Board, Director; Louvain School of Management, Visiting Professor; Tradeware S.A., Director (via Xerus Management SPRL).

Administrative, management, and supervisory bodies conflicts of interests

Aside from the matter mentioned on pages 231-232 of the Fortis Bank Annual Report 2010 (incorporated by reference into the Base Prospectus), being the 'Indemnification of Directors' which were decisions of the Board of 2 December 2010 and 13 January 2011, Fortis Bank has since then, to the best of its knowledge, not been notified by any of its directors that they were at a given moment in the position of having a conflict of interest within the meaning of article 523 of the Belgian companies Code.

Audit, Risk & Compliance Committee

In order to fulfill its role and responsibilities efficiently, the Board of Directors has set up an Audit,Risk & Compliance Committee ("**ARCC**"). The role of the ARCC is to assist the Board in fulfilling its supervision and monitoring responsibilities in respect of internal control in the broadest sense within Fortis Bank, including internal control over financial reporting and risk.

The ARCC shall monitor, review and make recommendations to the Board of Directors regarding audit and risk as described below.

Audit

- *the performance of the external audit process*: the ARCC oversees the work performed by the external auditors, reviews their audit plan, formally evaluates their performance at least once every three years against stated criteria and makes recommendations to the Board of Directors regarding their appointment or reappointment, mandate renewal and remuneration. The ARCC follows up on questions or recommendations of the external auditors. The ARCC also monitors the independence of external audit firms, including the review and approval of non-audit services provided to BNP Paribas Fortis;

- *the performance of the internal audit process*: the ARCC oversees the work performed by the internal audit department and endorses the annual audit plan, including focal point audit assignments, scope and audit budget. It monitors the follow-up that management gives to the internal audit's recommendations and takes part in the external quality assessment of the internal audit department organized at least once every five years and concurs in the appointment or dismissal of the General Auditor.

Risk

- *the major risk exposures of the Bank and the operation of internal risk management and control systems*, including supervision of the enforcement of the relevant legislation and regulations. This implies that the ARCC identifies and acknowledges major risk areas such as investment risk, credit risk, market risk and liquidity risk.

Compliance & Operational Risk

- *the coherence and effectiveness of the internal control system: This includes the overseeing and*

reviewing of the coherence and the effectiveness of the internal control system of BNP Paribas Fortis, through oversight and controls, more specifically with regard to its permanent control, the compliance of its activities with internal and external law and regulations and the protection of its reputation. This includes the supervision of operational risk management. The ARCC concurs in the appointment or dismissal of the Head of Compliance & Operational Risk ("Conformité"). The ARCC also regularly reviews the effectiveness of the BNP Paribas Fortis Internal Alert System.

Financial Reporting

- *the integrity of financial statements and of any report on BNP Paribas Fortis financial performance*.

This includes the consistent application of accounting principles (and changes thereto) and the quality of internal control over financial reporting;

- *the consolidation scope and accounting principles; and*

- *the Annual Report and the statements to be made by the Board of Directors therein as well as any external or official communication on the financial statements or the financial performance of BNP Paribas Fortis.*

The ARCC consists of at least three non-Executive Directors. At least half of its members should be independent directors. In case of a tied vote, the Chairman of the ARCC shall have a casting vote. Members of the ARCC need to have the necessary skills and competences in the field of accounting, audit and financial businesses. The presence of the necessary skills and competences is also judged at the level of the ARCC, not only on an individual basis. In accordance with article 526bis, §2 of the Belgian companies code, at least one member of the ARCC is both independent director and has the necessary skills and competences in the field of accounting, audit and financial business. All independent directors in the Fortis Bank ARCC comply with this rule.

Corporate governance

Fortis Bank generally complies with the principles and provisions of the Belgian corporate governance code of 2009 (the "**Code**"). Main differences relate to Principle 8 "Dialogue with shareholders". The fact that Fortis Bank is not able to comply with all of the provisions of Principle 8 of the Code is related to the ownership of Fortis Bank. On the one hand the 'free float' is limited to 0.07% of the issued shares. At the other hand, there is the commercial and operational integration of Fortis Bank within its controlling shareholder BNP Paribas SA that holds 74.93% of the issued shares.

7. Significant change in the Issuer's financing or trading position

Save as disclosed herein (including the documents incorporated by reference), there has been no significant change in the financial or trading position of Fortis Bank since 31 December 2010

8. Trend information

(a) Material adverse change

Save as disclosed herein (including in the documents incorporated by reference), there has been no material adverse change in the prospects of Fortis Bank since 31 December 2010.

(b) Trends

On 12 and 13 May 2009, BNP Paribas acquired control over Fortis Bank NV/SA by acquiring 74.93 per cent. of the shares of Fortis Bank NV/SA and 16 per cent. of the shares of BGL BNP Paribas S.A. ("**BGL**"). Following the acquisition, a global integration project was initiated to organize the integration of Fortis Bank NV/SA and the BNP Paribas Group. The main purposes of the global integration project are to consolidate and integrate both groups, to streamline and simplify the group structure, to achieve synergies between the various activities of each group and to identify opportunities for value creation. A number of transactions between various affiliates of BNP Paribas and Fortis Bank NV/SA have taken place in the context of

integrating certain activities of Fortis Bank NV/SA with certain activities of BNP Paribas. All the transactions planned in the context of the integration have been closed successfully.

Additional information on the transactions with BNP Paribas can be found in the 2010 Annual Report of Fortis Bank under the heading 'Information related to Article 524 of the Belgian Companies code' (pages 233 to 248).

9. Profit forecasts or estimates

This Base Prospectus does not include any profit forecasts or estimates with regard to Fortis Bank.

10. Material contracts

Fortis Bank has not entered into contracts outside the ordinary course of its business, which could result in the Issuer being under an obligation or entitlement that is material to its ability to meet its obligation to Noteholders in respect of the Notes being issued.

11. Accredited statutory auditors of Fortis Bank

The financial statements for the year ending 31 December 2009 of Fortis Bank have been audited by PricewaterhouseCoopers Reviseurs d'Entreprises S.C.C.R.L., represented by Josy Steenwinckel and Roland Jeanquart, Partners, Woluwedal 18, B 1932 Sint-Stevens Woluwe, Brussels, and Deloitte Reviseurs d'Entreprises S.C.R.L., represented by Philip Maeyaert and Frank Verhaegen, Partners, Berkenlaan 8b, B 1831 Diegem, in accordance with the laws of Belgium. An unqualified opinion on the consolidated financial statements with an explanatory paragraph, except for the comparative figures which are subject to a qualified opinion, has been issued on 29 March 2010. All are members of the Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises.

The financial statements for the year ending 31 December 2010 of Fortis Bank have been audited by PwC Reviseurs d'Entreprises S.C.C.R.L., represented by Roland Jeanquart, Partner, or Josy Steenwinckel, Partner, Woluwedal 18, B 1932 Sint-Stevens Woluwe, Brussels, and Deloitte Reviseurs d'Entreprises S.C.R.L., represented by Philip Maeyaert and Frank Verhaegen, Partners, Berkenlaan 8b, B 1831 Diegem, in accordance with the laws of Belgium. An unqualified opinion on the consolidated financial statements with an explanatory paragraph has been issued on 29 March 2011. All are members of Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises.

12. Interim Financial Statements

As at the date of this Base Prospectus, Fortis Bank has not published any interim financial statements in 2011.

13. Legal and arbitration proceedings

Save as disclosed in this Base Prospectus and in particular under Note 8.i (*Contingent assets and liabilities*) on pages 177 and 178 of the 2010 Annual Report of Fortis Bank (incorporated by reference into this Base Prospectus) there have been no governmental, legal and arbitration proceedings (during a period covering the last 12 months) which may have, or have had in the recent past, significant effects on Fortis Bank's and/or group's financial position or profitability

14. Third party information and statement by experts and declarations of any interest

This section does not include any third party information or statement by experts.

DESCRIPTION OF BNP PARIBAS FORTIS FUNDING

1.General

BNP Paribas Fortis Funding (**BP2F**) is a public limited liability company (*société anonyme*) incorporated for an unlimited duration under the laws of the Grand-Duchy of Luxembourg with its registered and principal office at 67, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under N° B. 24 784.

BP2F was incorporated on 24 September 1986 in Luxembourg as a public limited liability company (*société anonyme*) with the name Genfinance Luxembourg S.A., which was then changed on 12 November 2001 to Fortis Luxembourg Finance S.A. and on 22 February 2010 to BNP Paribas Fortis Funding that is still, at the date of this Base Prospectus, its legal name and commercial name.

BP2F is registered with the Luxembourg Register of Commerce and Companies under number B24784 (registered on 24 September 1986).

The Articles of Association of BP2F have been amended several times, most recently by notarial deed in Luxembourg on 23 March 2010.

The Articles of Association were published in the "Mémorial C, Recueil des Sociétés et Associations" on 29 November 1986 (C Nr332) and amendments thereto were also published in the "Mémorial C, Recueil des Sociétés et Associations".

BP2F registered office is at 67, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg (telephone number +352 27 44 18 03).

There have been no recent events particular to BP2F that are to a material extent relevant to the evaluation of BP2F's solvency.

BP2F has not made any investments since the date of the last published financial statements. The principal activities of BP2F are described in the following section.

2. Business overview

(a) Principal activities

BP2F's main object is to grant loans to Fortis Bank and its affiliates. In order to implement its main object, BP2F may issue bonds or similar securities, raise loans, with or without a guarantee and in general have recourse to any sources of finance. BP2F can carry out any operation it perceives as being necessary to the accomplishment and development of its business, whilst staying within the limits of the Luxembourg law of 10 August 1915 on commercial companies (as amended).

Please refer below for more information about BP2F's object as stated in Article 4 of the articles of association.

(b) Principal markets

The long-term debt of BP2F is admitted to listing on the official list and trading on the Luxembourg Regulated Market and/or on Euronext Amsterdam and/or on Euronext Brussels. The debt securities are sold to investors all over the world but within the scope of any applicable selling restrictions.

3. Organisational structure

BP2F is owned at 99.995 per cent. by Fortis Bank and acts as a financing vehicle for the group.

4. Trend information

(a) Material adverse change

There has been no material adverse change in the financial position or prospects of BP2F since 31 December 2010.

(b) Trends

The information disclosed under the section headed '*Trend Information*', sub-section *'Trends*' in the Business Description of Fortis Bank NV/SA is also relevant in relation to BP2F and should be referred to for known trends likely to have a material effect on BP2F's prospects for the current financial year.

5. Profit forecasts or estimates

This Base Prospectus does not contain any profit forecast or estimates with regard to BP2F.

6. Administrative, management and supervisory bodies

(a) Board of Directors

As at the date of this Base Prospectus, the Board of Directors of BP2F comprises the following persons:

Name	Principal activities performed by them outside BP2F which are significant with respect to BP2F
Dirk Dewitte	Director and CFO of BP2F. Director of financial accounting of BNP Paribas Fortis
Pierre Vanhove	Director of BP2F. Head of medium and long term funding of BNP Paribas Fortis
Eric Magrini	Director of BP2F. Managing Director of Intertrust Luxembourg S.A.
Luc Henrard	Director of BP2F. Member of Managing Committee and Chief Risk Officer of BGL BNP Paribas
Christian Pithsy	Director and chairman of the board of directors of BP2F. Director ALM, Funding and Treasury of BNP Paribas Fortis
Yvon Pierre Antoni	Director of BP2F. Head of ALM Funding of BGL BNP Paribas

* *Except for their principal functions in Fortis Bank, their other functions in Fortis Bank have not been included.*

For the purpose of the Base Prospectus, the business address of the Directors is 67, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg.

No member of the Board of Directors works on a full-time basis for BP2F.

(b Administrative, management, and supervisory bodies conflicts of interests

No conflicts of interests exist between any duties to the issuing entity of the persons referred to above at paragraph 6(a) and their private interests.

However, functional conflicts of interests may exist for the persons referred to above at paragraph 6(a) due to the roles held by these persons in other affiliates of Fortis Bank (as described above at paragraph 6(a)).

7. Board practices

BP2F does not have an audit committee. An audit committee exists at Fortis Bank SA/NV level.

Other than the provisions of the Luxembourg law of 10 August 1915 on commercial companies, as amended, which BP2F is required to comply with, under Luxembourg company law, there is currently no other legal corporate governance regime under Luxembourg law that a company must comply with.

8. Major shareholders

Fortis Bank holds 99.995 per cent. of BP2F shares.

9. Financial information concerning BP2F assets and liabilities, financial position and profits and losses

(a) Historical financial information

The audited annual accounts of BP2F for the years ended 31 December 2009 and 31 December 2010 shall be deemed to be incorporated by reference into and form part of this Base Prospectus.

The report of the independent auditor issued by PricewaterhouseCoopers S.à r.l (réviseur d'entreprises) on 22 March 2010 for the ended 31 December 2009 is included in the 2009 audited annual accounts and, as a result, shall also be deemed to be incorporated by reference into and form part of this Base Prospectus in its entirety.

The report of the approved statutory auditor issued by PricewaterhouseCoopers S.à r.l. (réviseur d'entreprises agréé) on 17 March 2011 for the year ended 31 December 2010 is included in the 2010 audited annual accounts and, as a result, shall also be deemed to be incorporated by reference into and form part of this Base Prospectus in its entirety.

The cash flow statements of BP2F for the years ended 31 December 2010 and 31 December 2009 shall also be deemed to be incorporated by reference into and form part of this Base Prospectus.

The 2009 and 2010 audited annual accounts of BP2F and the 2009 and 2010 cash flow statements of BP2F can be obtained free of charge at the head office of BP2F.

(b Financial statements

BP2F has no subsidiaries and therefore its financial statements are produced on an unconsolidated basis.

The annual accounts of BP2F are included in the consolidated accounts of Fortis Bank. The consolidated accounts of Fortis Bank are available at its registered office: 3 Montagne du Parc, B-1000 Brussels.

(c) Auditing of historical annual financial information

The annual accounts of BP2F for the year ended 31 December 2009 have been audited without qualification by PricewaterhouseCoopers S.à r.l. as independent auditor (*réviseur d'entreprises*) whose registered office is 400, Route d'Esch, L-1471 Luxembourg, who is a member of the Institut des Réviseurs d'Entreprises. No other information in this Base Prospectus has been audited by the auditor.

The annual accounts of BP2F for the year ended 31 December 2010 have been audited without qualification by PricewaterhouseCoopers S.à r.l. as approved statutory auditor (*réviseur d'entreprises agréé*) whose registered office is 400, Route d'Esch, L-1471 Luxembourg, who is a member of the Institut des Réviseurs d'Entreprises. No other information in this Base Prospectus has been audited by the auditor.

(d) Age of latest financial information

The latest audited financial information included is the financial information for the financial year ended 31 December 2010.

(e) Interim and other financial information

In or about September 2011 BP2F will publish unaudited interim financial statements for the six-months period ending 30 June 2011.

(f) Legal and arbitration proceedings

There are to date no material legal and arbitration proceeding against BP2F. There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BP2F is aware), during a period covering 12 months prior to this Base Prospectus which may have, or have had in the recent past, significant effects on BP2F's financial position or profitability.

(g) Significant change in BP2F financial or trading position

There has been no significant change in the financial or trading position of BP2F since 31 December 2010.

10. Additional information

(a) Share capital

BP2F issued and authorised share capital at 31 December 2010 is EUR 500,000 represented by 20,000 ordinary shares with a nominal value of EUR 25 each. BP2F has no other classes of shares. The share capital is fully paid up in cash. BP2F has no notes cum warrants, nor any convertible notes outstanding.

(b) Memorandum and Articles of Association

Article 4 of the Articles of Association states:

The purpose of BP2F is the direct and indirect funding by whatever means of its subsidiaries, of Fortis Bank NV/SA and of companies controlled by Fortis Bank NV/SA and the granting to said companies of any assistance, loan, advance or guarantee and/or any service of financial aid and any related administrative help.

In order to implement its purpose, BP2F may especially:

(a) perform any refinancing operation and especially solicit any kind of borrowing, obtain any kind of credit, participate in securitization transactions and collect funds mainly by the issue in whatever form of bonds or similar securities, debts, claims, certificates, warrants and any other kind of financial instruments; said list of transactions being not exhaustive;

(b) grant guarantees, pledge, or deliver any other kind of security, whether by personal commitment or by mortgage or encumbrance on all part of the company's assets ;

(c) conclude any kind of provisional transfer of securities and especially swaps (transactions on credit derivatives included), of options and futures, said list of transactions being not exhaustive;

(d) conclude any kind of provisional transfer of securities and especially of loans of securities and of borrowings against assets, said list of transactions being not exhaustive.

BP2F may carry out any operation which it deems necessary to the implementation and development of its purpose, remaining however within the limits fixed by the law of 10 August 1915 on commercial companies, as amended.

11. Selected financial information

(Extracted without material adjustment from the audited annual accounts of BP2F for the year ended 31 December 2010, which have been prepared in conformity with Luxembourg legal and regulatory requirements).

Balance sheet of BNP Paribas Fortis Funding *(in EUR)*

	31/12/2010 (EUR)	31/12/2009 (EUR)

ASSETS

Fixed assets	4,519,221,976	5,034,360,838
Current Assets	271,106,929	481,489,642
Prepayments	124,118,329	137,991,179
	4,914,447,234	5,653,841,659

LIABILITIES

Capital and reserves		
Subscribed capital	500,000	500,000
Reserves		
Legal reserve	50,000	50,000
Other reserves	3,071,430	2,331,200
Profit brought forward	31,466,358	26,356,050
Profit/Loss for the financial year	-27,673,143	9,350,538
	7,414,645	38,587,788
Liabilities		
Bonds and short term commercial papers		
becoming due and payable within one year	640,293,048	1,551,839,956
becoming due and payable after more than one year	4,063,938,614	3,839,505,053
Other debts	115,549,116	122,042,368
	4,819,780,778	5,513,387,378
Prepayments	87,251,811	101,866,493
	4,914,447,234	5,653,841,659

Income statement of BNP Paribas Fortis Funding (in EUR)

	31/12/2010 (EUR)	31/12/2009 (EUR)
Charges		
Other external charges	1,236,060	1,197,113
Staff costs	25,889	27,066
Interest payable and similar charges		
concerning affiliated undertakings	71,514,767	98,734,386
other interest payable and charges	239,961,684	291,144,981
Extraordinary charges	33,482,208	-
Tax on profit	884,022	3,329,940
Other taxes not shown under the above items	8,377	8,435
Profit for the financial year		9,350,538

	347,113,007	403,792,459
Income		
Income from other transferable securities and from loans forming part of the fixed assets		
derived from affiliated undertakings	284,410,247	356,196,520
Other interest receivable and similar income		
derived from affiliated undertakings	20,172,218	36,795,588
other income	10,375,486	10,800,351
Extraordinary income	4,481,913	-
Loss for the financial year	27,673,143	-
	347,113,007	403,792,459

The above information for the years ended 31 December 2009 and 2010 is extracted without material adjustment from, and should be read in conjunction with, the audited annual accounts (including the notes thereto) of BP2F for the year ended 31December 2010. The audited and approved annual accounts of BP2F for the years ended 31 December 2009 and 2010 are available free of charge at the head office of BP2F, the head office of the Fiscal Agent, the head office of each Paying Agent, and the head office of Fortis Bank in Belgium.

12. Material contracts

No material contracts have been entered into in the ordinary course of BP2F's business, which could result in BP2F being under an obligation or entitlement that is material to BP2F's ability to meet its obligation to security holders.

13. Third party information and statement by experts and declarations of any interest

This section does not contain any third party information or statements by experts.

14. Documents on display

For the life of this Base Prospectus, the following documents (or copies thereof) may be inspected at the registered office of BP2F:

- the memorandum and articles of association of BP2F; and
- the historical financial information of BP2F for each of the two financial years preceding the publication of this Base Prospectus.

DESCRIPTION OF THE GUARANTEE

1.1 Nature of the Guarantee

Fortis Bank NV/SA (the **"Guarantor"** or **"Fortis Bank"**) will, by the guarantee endorsed on the Notes (the **"Guarantee"**), guarantee the due and punctual payment of all amounts due by BNP Paribas Fortis Funding (the **"Issuer"**) under the Notes and coupons relating to them, when and as the same shall become due and payable, whether by declaration or acceleration or otherwise.

The Guarantee can be Senior, Senior Subordinated or Junior Subordinated, as described under Condition 3 as set out in the section entitled "*Terms and Conditions of the Notes*".

1.2 Scope of the Guarantee

The scope of the relevant guarantee is defined under Condition 3 of the section entitled "*Terms and Conditions of the Notes"* and in the Deed of Guarantee.

2. Forms of Guarantee

In the case of Notes issued by BP2F, guaranteed by the Guarantor, the following forms of guarantees (as appropriate) will be appended to the relevant Global Note and endorsed thereon by the Guarantor.

Form of Senior Guarantee and Senior Subordinated Guarantee

*FORTIS BANK NV/SA (the "**Guarantor**") unconditionally and irrevocably guarantees to the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) the due and punctual payment, in accordance with the Terms and Conditions of the Notes (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein and any reference herein to the "Terms and Conditions" is to the Terms and Conditions of the Notes set out in Schedule 2 of an amended and restated agency agreement dated 17 June 2011 between BNP Paribas Fortis Funding and Fortis Bank NV/SA (the "**Issuers**"), the Guarantor and BNP Paribas Securities Services, Luxembourg Branch as supplemented, amended and/or replaced by the Final Terms/Drawdown Prospectus), of the principal of, interest (if any) on, and any other amounts payable under, this Note upon the following terms:*

*(1) In the event of any failure by BNP PARIBAS FORTIS FUNDING. ("**BP2F**") to pay punctually any such principal, interest (if any) or other amount, the Guarantor agrees to cause each and every such payment to be made as if the Guarantor instead of BP2F were expressed to be the primary obligor of this Note or, as the case may be, of any Coupons and/or Receipts appertaining hereto to the intent that the holder shall receive the same amounts in respect of principal, interest (if any) or such other amount as would have been receivable had such payments been made by BP2F.*

(2) The Guarantor agrees that its obligations under this Guarantee shall be [[unconditional and][1]] irrevocable, irrespective of the validity, regularity or enforceability of any Note or any Coupon and/or Receipt, the absence of any action to enforce the same, the recovery of any judgment against BP2F or any action to enforce the same or any other circumstance which might otherwise constitute a discharge or defence of a guarantor [and, in general, waives the benefit of Article 2037 of the Belgian Civil Code to the extent applicable][2].

(3) The Guarantor confirms with respect to each Note (and Coupon and/or Receipt, if any) and the indebtedness evidenced thereby, that it does not have and will not assert as a defence to any claim hereunder any right to require any proceeding first against BP2F nor will it assert as a defence to any claim hereunder any lack of diligence, presentment to BP2F or the Paying Agents, any demand for payment from BP2F or the Paying Agents, any filing of claims with any court in the event of merger, insolvency or bankruptcy of BP2F, any protest, notice or any other demand whatsoever (other than a demand for payment of this Guarantee) and the Guarantor covenants that this Guarantee will not be discharged except by complete performance of the obligations contained in each Note (and Coupon and/or Receipt if any) and in this Guarantee.

[(4) This Guarantee constitutes a direct, unconditional, irrevocable, unsubordinated and (subject to the provisions below) unsecured obligation of the Guarantor and ranks pari passu (subject to mandatorily preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.][3]

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[1] Delete if the Guarantee is a Senior Subordinated Guarantee.

[2] Delete if the Guarantee is a Senior Guarantee.

[3] Delete if the Guarantee is a Senior Subordinated Guarantee.

[(4) This Guarantee constitutes a direct, irrevocable, subordinated and unsecured obligation of the Guarantor.

The rights and claims of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining thereto) under or pursuant to this Guarantee shall in the event of a concours de tous les créanciers sur l'ensemble de patrimoine/samenloop van alle schuldeisers op het geheel van het vermogen (competition between all creditors over all assets) (including faillite/faillissement (bankruptcy) and liquidation volontaire ou forcée/vrijwillige of gedwongen vereffening (voluntary or compulsory liquidation)) of the Guarantor or any other event under Belgian Law having equivalent or similar effect, be irrevocably subordinated in right of payment to the claims of the depositors and the Senior Creditors and by the holding of this Note, the holder hereof hereby irrevocably waives its right to equal treatment with such depositors and Senior Creditors.

Accordingly, in any such event, the liabilities of the Guarantor under or pursuant to this Guarantee shall not be required to be satisfied until satisfaction of all indebtedness of the Guarantor to the depositors and the Senior Creditors or the amount necessary for that purpose shall have been deposited in consignment.

For the avoidance of doubt, the rights and claims of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) under or pursuant to this Guarantee shall rank at least pari passu and shall not be subordinated to other claims against the Guarantor which are subordinated (or expressed by their terms to be subordinated) in right of payment.

*For the purpose of this paragraph 4, "**Senior Creditors**" means creditors (whether secured or unsecured) of the Guarantor, the claims of which against the Guarantor are not subordinated in right of payment within the meaning set forth in this paragraph 4 regardless of whether such claims existed at the date hereof or arose subsequent hereto and regardless of whether such claims pertain to indebtedness with fixed or undetermined maturity date.]*[4]

(5) The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Terms and Conditions of the Notes which relate to it.

[(6) This Guarantee and all non-contractual obligations arising out of or in connection with it are governed by English law.][5]

*[(6) The Guarantor shall be subrogated in all rights of the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) against BP2F in respect of any amounts paid or other performance by the Guarantor pursuant hereto; **provided that** the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation unless and until this Note or, as the case may be, the Coupons and/or Receipts appertaining hereto shall have been paid in full.*

(7) This Guarantee and all non-contractual obligations arising out of or in connection with it are governed by Belgian law.][6]

In witness whereof the Guarantor has caused this Guarantee to be duly executed.

Dated as of the Issue Date

[EXECUTED as a deed by][7]

FORTIS BANK NV/SA

[acting][8]

By: _____

[Name]

[Title]

(duly authorised)

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[4] Delete if the Guarantee is a Senior Guarantee.

[5] Delete if the Guarantee is a Senior Subordinated Guarantee

[6] Delete if the Guarantee is a Senior Guarantee

[7] Delete if the Guarantee is a Senior Subordinated Guarantee

[8] Delete if the Guarantee is a Senior Subordinated Guarantee

Form of Junior Subordinated Guarantee

FORTIS BANK NV/SA (the "**Guarantor**") as primary obligor guarantees to the holder of this Note (and, where relevant, the Coupons and/or Receipts appertaining hereto) as a continuing guarantee the due and punctual payment, in accordance with the Terms and Conditions of the Notes (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein and any reference herein to the "Terms and Conditions" is to the Terms and Conditions of the Notes set out in Schedule 2 of an amended and restated agency agreement dated 17 June 2011 between BNP Paribas Fortis Funding and Fortis Bank NV/SA, the Guarantor and BNP Paribas Securities Services, Luxembourg Branch as supplemented, amended and/or replaced by the Final Terms/Drawdown Prospectus) of all amounts payable by BNP PARIBAS FORTIS FUNDING ("**BP2F**") on or in respect of the Notes and/or Coupons and/or Receipts upon the following terms:

(1) If and each time that BP2F shall fail to make any payments as and when the same become due, the Guarantor will, subject as provided below, on demand (without requiring the Noteholder and/or Couponholder and/or Receiptholder first to take steps against BP2F or any other person) pay to the Noteholder and/or Couponholder and/or Receiptholder the amounts so payable by BP2F. In this connection the Guarantor waives its rights under Articles 2021 and 2037 of the Belgian Civil Code.

(2) The obligations of the Guarantor under this Guarantee shall not be affected by any matter or thing which but for this provision might operate to affect the obligations including, without limitation, (i) any time or indulgence granted to or composition with BP2F or any other person, (ii) the taking, variation, renewal or release of remedies or securities against BP2F or any other person, or (iii) any unenforceability or invalidity.

(3) Where any discharge (whether in respect of the obligations of BP2F or any security for the obligations of BP2F or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue as if there had been no discharge or arrangement. The holder of any Note and/or Coupon and/or Receipt acting bona fide and in good faith, shall be entitled to concede or compromise any claim that any payment, security or other disposition is liable to avoidance or repayment.

(4) This Guarantee constitutes a direct, unsecured and subordinated obligation of the Guarantor, conditional as described below, and will rank (i) *pari passu* without any preference among the other obligations of the Guarantor, including the Guarantees of the Notes, which are or are expressed to be subordinated to the unsecured subordinated obligations of the Guarantor but not further or otherwise ("**Junior Subordinated Obligations**"), (ii) junior to all present and future unsecured obligations of the Guarantor which are or are expressed to be subordinated to the unsecured, unsubordinated obligations of the Guarantor but not further or otherwise ("**Senior Subordinated Obligations**"), (iii) at least equally and rateably with all other present and future obligations of the Guarantor which rank or are expressed to rank junior to the Senior Subordinated Obligations, and (iv) in priority to the rights and claims of holders of all classes of equity (including holders of preference shares (if any)) issued by the Guarantor, subject to mandatory provisions of Belgian law.

Claims in respect of this Guarantee are subordinated to the claims of Senior and Subordinated Creditors and payments in respect of this Guarantee are conditional upon the Guarantor being solvent at the time of payment by the Guarantor and no amount shall be due and payable in respect of this Guarantee except to the extent that the Guarantor could make such payment in whole or in part, rateably with payments in respect of Other *Pari Passu* Claims and still be solvent immediately thereafter.

For the purposes of this Guarantee, the Guarantor shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets exceed its Liabilities (other than its Liabilities to persons who are not Senior and Subordinated Creditors). A report as to the solvency of the Guarantor by two directors of the Guarantor or by the auditors of the Guarantor or (if the Guarantor is in winding-up, liquidation or bankruptcy) the liquidator of the Guarantor, shall in the absence of proven error, be treated and accepted by BP2F, the Guarantor, the Noteholders, the Couponholders and the Receiptholders (if any) as correct and sufficient evidence thereof.

For the purpose of this Guarantee, "**Senior and Subordinated Creditors**" means, in relation to the Guarantor, all creditors of the Guarantor other than creditors whose claims are in respect of: (i) any class of equity (including preference shares), subject to mandatory provisions of Belgian law, or (ii) unsecured, subordinated obligations which are or are expressed to be subordinated to the Senior Subordinated Obligations of the Guarantor or (iii) any other obligations which rank or are

expressed to rank either *pari passu* with or junior to the claims of the Noteholders, Couponholders and Receiptholders (if any) under this Guarantee; "**Assets**" means the total assets of the Guarantor and "**Liabilities**" means the total liabilities of the Guarantor, each as shown by the latest published audited balance sheet of the Guarantor but adjusted for contingencies and for subsequent events, all valued in such manner as such directors, auditors or liquidator (as the case may be) may determine; and "**Other Pari Passu Claims**" means claims of creditors of the Guarantor which are subordinated so as to rank or are expressed to rank *pari passu* with the claims of the Noteholders, Couponholders and Receiptholders (if any) under this Guarantee.

(5) In the event of an order being made or an effective resolution being passed for the winding-up, liquidation or bankruptcy of BP2F, then immediately thereupon and without further formality the Guarantor shall become the principal debtor under the Notes in place of BP2F and this Guarantee shall cease to be of any effect and the Noteholders, Couponholders and Receiptholders (if any) shall cease to have any rights or claims whatsoever against BP2F, **provided that**:

(i) the obligations of the Guarantor as principal debtor as aforesaid shall be subordinated to the same extent as its obligations under this Guarantee; and

(ii) no Noteholder, Couponholder or Receiptholder (if any) shall, as a result of any change in principal debtor as aforesaid, be entitled to claim from BP2F or the Guarantor any indemnification or payment in respect of any tax consequence of such change to individual Noteholders, Couponholders and Receiptholders (if any) except to the extent provided for by Condition 7.

(6) Until all amounts which may be or become payable under this Guarantee have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Noteholder, Couponholder or Receiptholder (if any) or claim in competition with any Noteholder, Couponholder or Receiptholder (if any) against BP2F.

(7) The Guarantor agrees that it shall comply with and be bound by those provisions in the Terms and Conditions of the Notes which relate to it. In the event of any conflict between the provisions of this Guarantee and those of the Terms and Conditions of the Notes or of any other document or instrument executed and delivered pursuant to the Terms and Conditions of the Notes, the provisions of this Guarantee shall prevail.

(8) This Guarantee and all non-contractual obligations arising out of or in connection with it are governed by Belgian law.

In witness whereof the Guarantor has caused this Guarantee to be duly executed.

Dated as of the Issue Date

FORTIS BANK NV/SA

By: _____
[Name]

[Title]

(duly authorised)

TAXATION

TRANSACTIONS INVOLVING THE NOTES MAY HAVE TAX CONSEQUENCES FOR PROSPECTIVE INVESTORS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE PROSPECTIVE INVESTOR AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES, PROSPECTIVE INVESTORS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS.

The following is a general description of certain Belgian, Luxembourg, Netherlands, French, Italian, Spanish and Swiss tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium, Luxembourg and/or The Netherlands of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including but not limited to, the legality of transactions involving the Notes.

Taxation in Belgium

The withholding tax treatment in Belgium of the Notes will be different depending on whether the issuer of the Notes is Fortis Bank or BP2F. Notes issued by Fortis Bank will hereafter be referred to as **"Belgian Notes"** while Notes issued by BP2F will be referred to as **"Foreign Notes"**.

Notes issued by Fortis Bank may be cleared through the X/N clearing system. The withholding tax treatment in respect of Notes cleared through the X/N system is different from that of other Notes and is set out below under the heading "*Withholding tax treatment applicable to Notes held in the X/N system"*.

(a) Withholding tax treatment of Foreign Notes and Belgian Notes that are not held in the X/N system

Withholding tax treatment applicable to individuals resident in Belgium

Interest payments made to Belgian resident individuals will be subject to a 15 per cent. Belgian withholding tax. The same applies to interest on Foreign Notes if such interest is collected through a financial intermediary established in Belgium. In these cases the investors need not report the interest income in their annual tax return.

If the payment is not made through a Belgian intermediary and withholding tax is not withheld, the investors must report the interest income in their annual tax return and pay tax thereon at the rate of 15 per cent.

Other rules may apply if the Notes are held in the course of a business activity.

Withholding tax treatment applicable to Belgian corporations

The amount of interest on Belgian Notes is subject to a Belgian withholding tax of 15 per cent..

Interest on Foreign Notes that is collected through a financial intermediary established in Belgium is in principle also subject to Belgian withholding tax, but may benefit from an exemption if the company receiving the interest delivers a specific residence certificate. This withholding tax exemption does not apply to Zero Coupon Notes.

Withholding tax treatment applicable to non-profit entities

In the case of Belgian resident investors subject to the non-profit legal entities tax (*impôt des personnes morales / rechtspersonenbelasting*), interest payments on Belgian Notes will be subject to a 15 per cent. Belgian withholding tax. The same applies to interest on Foreign Notes if the payment is made through a financial institution or other intermediary established in Belgium. If the payment is not made through a Belgian intermediary and withholding tax is not withheld, the investor is itself liable for the withholding tax of 15 per cent..

Withholding tax treatment applicable to non-Belgian residents

Interest on Belgian Notes is subject to a withholding tax of 15 per cent unless the Noteholder has the benefit of a tax treaty which provides for an exemption or reduction from withholding tax. The income of Foreign Notes held by investors who are not residents of Belgium (unless these investors have a permanent establishment in Belgium through which they hold the Notes) will not be subject to Belgian withholding tax if the payments are not collected through a Belgian financial intermediary. Interest collected through regulated financial intermediaries is exempted from Belgian withholding tax provided that the investor delivers to its financial intermediary an appropriate certificate of exemption.

(b) Withholding tax treatment applicable to Notes held in the X/N system

The holding of the Notes in the NBB clearing and settlement system permits most types of investors (the **"Eligible Investors"**, see below) to collect interest on their Notes free of withholding tax, and to trade their Notes on a gross basis.

Participants in the NBB system must keep the Notes they hold for the account of Eligible Investors on so called **"X accounts"**, and those they hold for the account of non-Eligible Investors on **"N accounts"**. Payments of interest made through X accounts are free of withholding tax; payments of interest made through N accounts are subject to a withholding tax of 15 per cent., which the NBB deducts from the payment and pays over to the tax authorities. In the case of Notes issued at a discount, the difference between the issue price and the nominal amount constitutes interest for these purposes.

Transfers of Notes between an X account and an N account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N account to an X account gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. The withholding tax is due in euro, and is calculated based on the rate of exchange published two business days earlier by the NBB.

- A transfer from an X account to an N account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. The refund is payable in euro, and is calculated based on the rate of exchange published two business days earlier by the NBB.

- Transfers of Notes between two X accounts do not give rise to any adjustment on account of withholding tax.

These adjustment mechanics are such that parties trading the Notes on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis.

The main categories of Eligible Investors are as follows:

- Belgian resident corporate investors;

- corporate investors who are non-residents of Belgium, whether they have a permanent establishment in Belgium or not;

- individuals who are non-residents of Belgium, unless their holding of the Notes is connected to a permanent establishment they have in Belgium; and

- non incorporated foreign collective investment schemes (such as *fonds communs de placement*) whose units are not publicly offered or marketed in Belgium.

The main categories of non-Eligible Investors are as follows:

- Belgian resident individuals;

- Belgian non profit organisations;

- Belgian organizations for the financing of pensions as meant in the law of 27 October 2006; and

- non incorporated Belgian collective investment schemes (*fonds communs de placement*) and similar foreign funds whose units are publicly offered or marketed in Belgium.

  (The above categories summarise the detailed definitions contained in Article 4 of the royal decree of 26 May 1994, to which investors should refer for a precise description of the relevant eligibility rules.)

  When opening a securities account for the holding of Notes or other securities kept in the NBB clearing and settlement system, investors are required to provide the financial institution where this account is kept with a statement as to their tax status. This statement need not be periodically reissued. No such statement is required of investors who are non-residents of Belgium and keep their Notes on a securities account through Euroclear or Clearstream, Luxembourg.]

Taxation in Luxembourg

The Issuers have been advised that under the existing laws of Luxembourg as currently applied by the Luxembourg tax authorities:

(a) *Withholding Tax*

All payments of interest and principal by the Issuers in the context of the holding, disposal, redemption or re-purchase of the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein in accordance with applicable law, subject however to:

(i) the application of the Luxembourg laws of 21 June 2005 implementing the European Union Savings Directive (please refer to the paragraph below entitled "*EU Savings Directive"*) and several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. from 1 July 2011) on interest paid to certain non-Luxembourg resident investors (individuals and certain types of entities called "residual entities") in the event of the Issuer appoint a paying agent in Luxembourg within the meaning of the above-mentioned directive (for more information, please refer to the paragraph below entitled "*EU Savings Directive"*) or agreements; and

(ii) the application of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC) in respect of Luxembourg resident individuals acting in the course of their private wealth. This law applies to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

  Pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals can opt to self declare and pay a 10 per cent. tax on interest payments made by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive (Council Directive 2003/48/EC) on the taxation of savings income.

  The 10 per cent. withholding tax as described above or the 10 per cent. tax are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in connection with the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 shall be assumed by the Luxembourg paying agent within the meaning of these laws and not by the relevant Issuer.

(b) *Taxes on Income and Capital Gains*

A holder of Note who derives income from such Note or who realises a gain on the disposal or redemption thereof will not be subject to Luxembourg taxation on income or capital gains (subject to the application of the EU Savings Directive 2003/48/CE and

the law of 23 December 2005, which has introduced a 10 per cent final withholding tax on savings income as regards Luxembourg resident individuals) unless:

(i) such holder is, or is deemed to be, resident in Luxembourg for Luxembourg tax purposes (or for the purposes of the relevant provisions);

(ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg or a fixed base of business in Luxembourg.

(c) *Net Wealth Tax*

Luxembourg net wealth tax will not be levied on a holder of a Note unless:

(i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions to the exception of the following entities that are net wealth tax exempt, being (i) undertakings for collective investment (UCITS) within the meaning of the law of 20 December 2002, (ii) investment company in risk capital (SICAR) within the meaning of the law dated 15 June 2004, (iii) securitization entities within the meaning of the law dated 22 March 2004, (iv) special investment funds within the meaning of the law of 13 February 2007 and (v) a family wealth management company governed by the law of 11 May 2007; or

(ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;

In respect of individuals, the Luxembourg law of 23 December 2005 has abolished the net wealth tax with effect from 1 January 2006.

(d) *Inheritance and Gift Tax where the Notes are transferred for no consideration*

(i) No Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

(ii) Luxembourg gift tax will be levied in case the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

(e) *Other Taxes and Duties*

It is not compulsory that the Notes be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith, except that, in case of use of the Notes, either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (*autorité constituée*), registration will in principle be ordered which implies the application of a fixed (EUR 12) or an ad valorem registration duty and calculated on the amounts mentioned in the Notes.

(f) *Value Added Tax*

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, **provided that** Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to BP2F, if for Luxembourg value-added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.

(g) *Residence*

A holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that or any other Note.

Taxation in The Netherlands

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of this summary it is assumed that no holder of a Note has or will have a substantial interest, or - in the case of a holder of a Note being an entity - a deemed substantial interest, in the Issuer and that no connected person (verbonden persoon) to the holder of a Note has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in an entity if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have, or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have, (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of an entity or the issued and outstanding capital of any class of shares of such entity, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such entity.

Generally speaking, a non-resident entity has a substantial interest in an entity if such entity, directly or indirectly has (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of an entity or the issued and outstanding capital of any class of shares of an entity, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of an entity. An entity holding a Note has a deemed substantial interest in an entity if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes. "Where this summary refers to "The Netherlands" or "Dutch", it refers only to the European part of the Kingdom of the Netherlands."

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note, Coupon, Talon or Receipt. Where this summary refers to a Note, such reference is also considered to include a Coupon, Talon and Receipt. Where this summary refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note.

Investors are advised to consult their professional advisers as to the tax consequences of purchase, ownership and disposition of the Notes.

(a) Withholding Tax

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt that effectively functions as equity for purposes of article 10, paragraph 1, sub d of the Corporate Tax Act (*Wet op de vennootschapsbelasting 1969*).

(b) *Taxes On Income and Capital Gains*

Non-residents

A holder of a Note which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

Residents

Resident entities

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate income tax in respect of income or a capital gain derived from a Note at rates up to 25 per cent.

Resident individuals

An individual holding a Note who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 52 per cent if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (Wet inkomstenbelasting 2001), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. The deemed return amounts to 4 per cent. of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Note). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

(c) *Gift And Inheritance Taxes*

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder, unless:

(i) the holder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

(d) *Value Added Tax*

The issuance or transfer of a Note, and payments of interest and principal under a Note, will not be subject to value added tax in The Netherlands.

(e) *Other Taxes*

The subscription, issue, placement, allotment, delivery or transfer of a Note will not be subject to registration tax, stamp duty or any other similar tax or duty payable in The Netherlands.

(f) *Residence*

A holder of a Note will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

(g) *EU Counsel Directive on Taxation of Savings Income*

In accordance with EC Council Directive 2003/48/EC on the taxation of savings income, The Netherlands will provide to the tax authorities of another EU member state (and certain non-EU countries and associated territories specified in that directive) details of payments of interest or other similar income paid by a person within The Netherlands to, or collected by such a person for, an individual resident in such other state.

Taxation in France

Registration taxes, stamp duty, etc.

No stamp, issue, registration or similar taxes or duties will be payable in France by the Noteholder in connection with the Notes.

Withholding tax

The interest from the Notes received by French tax resident individuals holding the Notes as part of their private assets may, at the taxpayer's option, and subject to certain conditions and compliance formalities, be subject to a final withholding tax (prélèvement libératoire) at the rate of 19 per cent., the contribution sociale généralisée ("**CSG**") of 8.2 per cent., the prélèvement social of 2.2 per cent. and the contributions additionnelles au prélèvement social of 0.3 and 1.1 per cent. and the contribution au remboursement de la dette sociale ("**CRDS**") of 0.5 per cent., resulting in a global tax rate of 31.3 per cent..

Subject to the above, all payments by the Issuer to the Noteholder in respect of the Notes can be made free of any withholding or deduction for or on account of any taxes in France.

Residents

Under current French legislation, the following summary describes the tax consequences that may be applicable to Noteholders resident in France for tax purposes. The Noteholders should nevertheless consult their usual tax advisers for details of the tax regime that applies to their particular case.

1. Individuals holding Notes as part of their private assets

(a) Interest

The interest from the Notes received by individuals holding the Notes as part of their private assets is:

(i) either included in the total income, subject to income tax at the progressive rate, the CSG of 8.2 per cent., 5.8 points of which is deductible from the income tax basis, a prélèvement social of 2.2 per cent. and the contributions additionnelles au prélèvement social of 0.3 and 1.1 per cent. and the CRDS of 0.5 per cent.; or

(ii) at the taxpayer's option, subject to a final withholding tax (prélèvement libératoire) at the rate of 19 per cent., the CSG of 8.2 per cent., the prélèvement social of 2.2 per cent. and the contributions additionnelles au prélèvement social of 0.3 and 1.1 per cent. and the CRDS of 0.5 per cent., resulting in a global tax rate of 31.3 per cent..

If the Paying Agent levies a withholding tax on the interest from the Notes pursuant to the rules detailed in paragraph "EU Savings Directive" below, individuals resident in France for tax purposes may benefit, in application of Article 199 ter of the French Tax Code (Code général des impôts or "**CGI**"), from a tax credit equal to the amount of the tax withheld.

(b) Capital gains

Capital gains are subject to income tax at the rate of 19 per cent., the CSG of 8.2 per cent., the prélèvement social of 2.2 per cent. and the contributions additionnelles au prélèvement social of 0.3 and 1.1 per cent. and the CRDS of 0.5 per cent..

Capital losses incurred in one year can be set off only against capital gains of the same type realised in the year of the disposal or in the ten following years.

2. Companies subject to corporate tax

(a) Interest

Interest accrued on Notes over the fiscal year is included in the corporate tax basis taxable at the rate of 33 1/3 per cent..

A social contribution of 3.3 per cent. (Article 235 ter ZC of the CGI) is also applicable on the amount of corporate tax with an allowance of EUR 763,000 for each 12-month period. However, entities that have a turnover of less than EUR 7,630,000 and whose share capital is fully paid-up and of which at least 75 per cent. is held continuously by individuals (or by an entity meeting all of these requirements) are exempt from this contribution. For an entity that meets these requirements, the corporate tax is fixed, for taxable income up to EUR 38,120 within a twelve-month period, at 15 per cent..

(b) Capital gains

The capital gain or loss realised upon disposal of the Notes is included in the corporate tax basis taxable at the rate of 33 1/3 per cent. (or, where applicable, 15 per cent. up to an amount of EUR 38,120 per period of twelve months for entities that meet the conditions described in paragraph 2(a) above). In addition, the social contribution of 3.3 per cent. mentioned above is levied where applicable.

Non-residents

Non-French tax resident Noteholders will normally not be subject to French income or corporate taxation with respect to income or capital gains realised in connection with the Notes, unless there is a specific connection with France, such as an enterprise or part thereof which is carried on through a permanent establishment in France.

A Noteholders will not become resident or deemed to be resident in France by reason only of the holding of a Note.]

Taxation in Italy

PROSPECTIVE PURCHASERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE ITALIAN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, AS WELL AS THE EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS.

THE ISSUER WILL NOT BE LIABLE FOR OR OTHERWISE OBLIGED TO PAY ANY STAMP TAXES, TAX, DUTIES OR ANY OTHER PAYMENT WHICH MAY ARISE AS A RESULT OF OWNERSHIP, TRANSFER OR EXERCISE OF ANY NOTES.

Legislative Decree 1 April, 1996, No. 239 (Decree No. 239) regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as Interest) from Notes issued, inter alia, by non-Italian resident entities. The provisions of Decree No. 239 only apply to those Notes which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to pursuant to Article 44 of Presidential Decree 22 December, 1986, No. 917 (Decree No. 917). Such are securities that guarantee at maturity the right of the noteholder to receive an amount not lower than their face value and do not entitle the noteholder to interfere with the business of the issuer.

Interest on the Notes is subject to a 12.5 per cent. substitute tax if (i) the Notes have a maturity of at least 18 months and (ii) the recipient is included among the following categories of Italian residents: individuals, non-commercial partnerships, non-profit organisations, the Italian State and public entities or entities that are exempt from IRES. The 12.5 per cent. substitute tax is

applied as a provisional income tax and may be deducted from the taxation on income due in the case of interest received by individuals holding the Notes within the context of a business enterprise.

Interest on the Notes that have a maturity of eighteen months or more, are not subject to the 12.5 per cent. imposta sostitutiva if made to beneficial owners who are Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial intermediary and have opted for the Asset Management Option.

If the Notes have a maturity shorter than 18 months, the rate of the substitute tax increases to 27 per cent..

Interest on the Notes received by Italian resident companies, commercial partnerships and other similar entities will not be subject to *imposta sostitutiva* but must be included in the relevant Noteholder's income tax return.

Without prejudice to the above provisions, in the event that the Notes with an original maturity of eighteen months or more are made subject to an early repayment within eighteen months from the date of issue, Italian resident Noteholders will be required to pay an additional amount equal to 20 per cent of Interest and other proceeds from the Notes accrued up to the time of the early repayment.

Interest payments relating to Notes that are not deemed to fall within the category of *obbligazioni* or *titoli similari alle obbligazioni* pursuant to Article 44 of Decree No. 917, may be subject to withholding tax levied at a rate of 27 per cent (final or on account depending on the "status" and tax residence of the Noteholder). Pursuant to Article 44 of Decree No. 917, for securities to qualify as titoli similari alle *obbligazioni* (securities similar to bonds), they must (i) incorporate an unconditional obligation to pay at maturity an amount not less than that therein indicated and (ii) attribute to the holders no direct or indirect right to control or participate to the management of the Issuer.

Taxation in Switzerland

The following is a general description of certain Swiss tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Switzerland or elsewhere. Prospective purchasers of the Notes should consult their tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Switzerland. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Income Tax

Private Investors

Swiss resident individuals who do not qualify as so-called professional securities dealers (*commerçants professionnels de titres*) and who hold the Notes as part of their private (as opposed to business) assets are hereby defined as Private Investors.

Interest payments or redemption of Notes

As a rule, interest arising from Notes as well as payments received upon redemption of the Notes in excess of the initial issuance price, is fully taxable in the hands of the Private Investors. Notes which are not straight debt instruments but have components of debt instruments and derivatives intertwined generally qualify as combined instruments. The tax treatment of such Notes depends on whether the Notes are considered as transparent or not for Swiss income tax purposes.

If the Notes are considered as not transparent for Swiss income tax purposes, any amount received by the Private Investors in excess of the amount invested is treated as taxable income in the hands of the Private Investors.

If the Notes are considered as transparent for Swiss income tax purposes, they will be split notionally in a debt instrument and a derivative instrument component. Gains or losses on the derivative instrument component are treated as tax exempt capital gains. Income related to the debt instrument component is treated as taxable income in the hands of the Private Investors.

Notes which are linked to underlying assets, such as bonds, shares, or baskets of such assets may also be treated, under certain circumstances, as direct investments in bonds, shares or in an investment fund. Notes linked to a basket of investment funds may be treated as an investment in an investment fund.

According to the current practice of the Federal Tax Administration, Swiss residents or foreign residents subject to Swiss taxation receiving interest payments arising from Credit-Linked notes during the investment or at redemption as accrued interest owe individual income tax on the entire amount of the interest paid to them.

Capital gains realised upon disposal of the Notes

Private Investors realize a tax free capital gain upon the disposal of Notes which do not qualify as Notes with predominant one-time interest payment (obligations à intérêt unique prédominant) and are subject to Swiss federal, cantonal or municipal income tax if the Notes qualify as Notes with one-time predominant interest payment (*obligations à intérêt unique prédominant*).

Notes with one-time interest payment qualifying as combined instruments and which qualify as tax transparent are notionally split in their debt instrument and in their derivative instrument component. Capital gains arising from the derivative instrument component of transparent Notes are generally not subject to income tax in the hands of Private Investors.

Swiss Resident Business Investors

Interest, redemptions and gains realised on or arising from the Notes, by Swiss resident individuals holding the Notes as part of their business assets as well as by Swiss resident legal entities, are part of their taxable business profits subject to individual income taxes or corporate income taxes, respectively. The same applies to Swiss resident individuals who qualify as so-called professional securities dealers.

Swiss Federal Stamp Tax

Under the Federal Swiss Stamp Tax Act of 27 June 1973 ("**STA**"), the issuance of bonds or obligations by a Swiss resident issuer is subject to an issuance stamp tax.

The issue of the Notes by a non-Swiss resident issuer is not subject to the Swiss federal issuance stamp tax, **provided that** the issuer of the Notes is at all times domiciled and effectively managed outside of Switzerland and **provided that** the proceeds from the offering and sale of the Notes are used outside of Switzerland.

Furthermore, the dealing in Notes is subject to the Swiss Federal transfer stamp tax if a Swiss securities dealer (as defined under Article 13 STA) is involved as an intermediary or as a counterparty in such a transaction. The notion of Swiss securities dealer contained in Article 13 is very broad and encompasses Swiss and Liechtenstein banks, securities brokers and even companies holding in their books taxable securities for an amount exceeding CHF 10 million.

The redemption of the Notes is not subject to the Swiss federal transfer stamp tax even if a Swiss securities dealer (as defined under Article 13 STA) acts as an intermediary or is a party to the transaction. The issuance of the Notes is not subject to the Swiss federal transfer stamp tax even if a Swiss securities dealer (as defined under Article 13 STA) acts as an intermediary or is a party to the transaction to the extent that the payment of interest and the reimbursement of the Principal Amount occurs in a currency other than Swiss francs.

The transfer stamp tax on the transfer of foreign securities is levied at the rate of 0.3 per cent..

If a Swiss bank or a Swiss securities dealer (as defined in the STA) acts as a counterparty (buyer or seller) in the transaction, it shall pay 50 per cent. of the stamp tax for itself (unless the acquisition is made for a *nostro* account) and the other 50 per cent. for the other contracting party which is a Swiss or a Liechtenstein resident (and which does not qualify as an exempted investor or as a Swiss securities dealer within the meaning of the STA). If a Swiss bank or a Swiss securities dealer (as defined in the STA) acts as an intermediary, 50 per cent. of the issuance stamp tax shall be levied for each counterparty which is a Swiss or a Liechtenstein resident, and which does not qualify as an exempted investor or as a Swiss securities dealer. Only 50 per cent. of the transfer stamp tax is due if a Swiss securities dealer (as defined in the STA) acts as an intermediary for a Swiss resident (unless such a party qualifies as a securities dealer) and a foreign resident. No transfer stamp tax is due if a Swiss securities dealer (as defined in the STA) acts as intermediary for two foreign parties.

Swiss Withholding Tax

The payment of interest on the Notes will not be subject to Swiss withholding tax (the statutory rate of which is 35 per cent.), provided the Issuer or the Guarantor is at all times domiciled and effectively managed outside of Switzerland and uses the proceeds from the offering and sale of the Notes outside of Switzerland.

European Union Directive on the Taxation of Savings

Under the European Council Directive 2003/48/EC on the taxation of savings income, Member States of the European Union are required to provide the tax authorities of another Member State with details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. A few Member States are, instead of this obligation to provide information on the relevant person, authorised to operate a withholding tax system in relation to such payments.

On 26 October 2004, the European Community and Switzerland concluded an agreement on the taxation of savings income by way of a specific withholding tax system or a voluntary declaration in the case of transactions between parties in the European Union Member States and Switzerland. Accordingly, Switzerland introduced a specific withholding tax on interest payments (including accrued interest on the sale of notes) or other similar income paid by a Swiss paying agent to an individual residing in the European Union effective as from 1 July 2005. The tax retention is currently applied at a rate of 20 per cent. (from 1 July 2008 to 30 June 2011; the rate was 15 per cent. until 30 June 2008) and 35 per cent. (from 1 July 2011 onwards), respectively, unless the investor elects for the exchange of information. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding tax if certain conditions are met. A Swiss paying agent can be explicitly authorized by the beneficial owner of the interest payments to report interest payments to the Swiss Federal Tax Administration and ultimately to the tax authorities of his country of residence. Such report will then substitute the withholding tax.

According to Guidelines issued by the Federal Tax Administration on 24 June 2005 relating to the European Union taxation of savings, Swiss banks, securities dealers, as well as other companies or individuals, who on a professional basis, occasionally or regularly, accept to invest in interest producing investments for third parties and who transfer interest qualify as "paying agents" (from the perspective of the withholding of tax). Swiss paying agents have the duty to identify the beneficial owners of the interest and to register with the Federal Tax Administration.

Taxation in Germany

The following is a general discussion of certain German tax consequences of the acquisition, ownership and disposal of the Notes. As the Notes may be subject to different tax treatment depending on the specific terms of the Notes, the following section shall only be regarded as generic overview with regard to the possible tax treatment in Germany. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase the Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect. Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents.

To the extent the following information describes the taxation in the case of a disposal of the Notes, such description applies accordingly to cases of a call, exercise, assignment or redemption of the Notes as well as a transfer of Notes into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*).

German tax residents

German tax resident are persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany).

Notes held as private assets

If Notes are held by an investor as private assets (*Privatvermögen*), payments of interest qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 German Income Tax Act ("*ITA" – Einkommensteuergesetz*). Capital gains / capital losses realised upon disposal of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and actually related to the sale, qualify as (negative) savings income pursuant to section 20 para 2 sentence 1 no 7 ITA. If such disposal results in a loss, such loss can only be offset against other taxable savings income. If the investor does not have enough other taxable savings income in the respective assessment period, the losses can be carried forward; a loss carry back is not permissible.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 22 December 2009, as amended on 16 November 2010, a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (Forderungsverzicht), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible.

Further, where the Notes provide for instalment payments, such instalment payments shall always qualify as taxable savings income pursuant to section 20 para 1 no 7 ITA, unless the terms and conditions of the Notes provide explicit information regarding redemption or partial redemption during the term of the Notes and the contractual parties comply with these terms and conditions. It is further stated in the tax decree that, if, in the case of Notes providing for instalment payments, there is no final payment at maturity, the expiry of such Notes shall not qualify as a sale-like transaction; any remaining acquisition costs could thus not be deducted for tax purposes. Similarly, any remaining acquisition costs of Notes providing for instalment payments shall not be tax-deductible if the Notes do not provide for a final payment or are terminated early without a redemption payment because the respective underlying has left the defined corridor or has broken certain barriers (e.g. in knock-out structures). Although the tax decree only refers to instruments with instalment payments, it cannot be excluded that the German tax authorities apply the above principles also to other kinds of full-risk securities.

If Notes qualify as contracts for differences (*Termingeschäfte*), disposal proceeds and other benefits from the Notes qualify as (negative) savings income pursuant to section 20 para 2 sentence 1 no 3 ITA. In such a case, if the Notes expire worthless, losses may not be tax-deductible at all.

Notes providing for a physical delivery of, e.g., bonds or shares, may qualify as convertible, exchangeable or similar instruments, subject to the relevant terms and conditions of such Notes. In such a case, the sales proceeds from the Notes and the acquisition costs of the received securities may be deemed to be equal to the initial acquisition costs of the Notes (section 20 para 4a sentence 3 ITA) so that no taxable capital gains would be realised due to the conversion. However, capital gains realised upon an on-sale of the received securities would qualify as taxable income.

Savings income is, in general, subject to German income tax at a special (flat) tax rate of 26.375% (including solidarity surcharge) plus, if applicable, church tax. With regard to savings income, the savers lump sum amount (Sparer-Pauschbetrag) in the amount of 801 EUR (respectively 1,602 EUR in the case of jointly assessed husband and wife) will be deducted; a deduction of the actual income-related expenses is, in general, excluded.

Notes held as business assets

If Notes are held by an investor (individuals and corporate entities) as business assets (Betriebsvermögen), interest payments and capital gains from the disposal of the Notes are subject to corporate income tax (in the case of an incorporated investor) at a tax rate of 15%, or income tax at an individual progressive tax rate of up to 45%, as the case may be (each plus 5.5% solidarity surcharge thereon). In addition, trade tax may apply, the rate of which depends on the municipality in which the business is located (rates vary between 7 and approx. 17%). Further, in the case of individuals, church tax may be levied. In case of a loss, such loss may be subject to ring-fence rules and, if so, may only be offset against other derivative income. In case the income of the investor is determined based on accrual accounting, interest and capital gains may be taxable before actual payments are received.

German withholding tax

With regard to savings income (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax will be levied at a flat withholding tax rate of 26.375% (including solidarity surcharge, plus church tax if applicable) if, inter alia, the Notes are registered in a foreign registry, have been issued in a global note in terms of section 9 of the German Securities Deposit Act (*Depotgesetz*) or qualify as partial debentures (*Teilschuldverschreibungen*) and are held in a custodial account maintained with a German branch of a German or non-German credit or financial services institution or with a securities trading business

(*Wertpapierhandelsunternehmen*) or securities trading bank (*Wertpapierhandelsbank*) (a "German Disbursing Agent"). If the Notes are not held in a custodial account, German withholding tax will nevertheless be levied if the Notes are issued in definitive form and the savings earnings are paid by a German Disbursing Agent against presentation of the Notes or Coupons (so-called over-the-counter transaction – *Tafelgeschäft*).

The tax base is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in case of capital gains, the tax deduction is calculated on the basis of the capital gain only if the Notes have been kept in a custodial account with a German Disbursing Agent since the time of issuance or acquisition, respectively; if that is not the case, the investor may prove the acquisition costs to the German Disbursing Agent only in a specific form required by law. Otherwise, the tax deduction is calculated on the basis of 30% of the proceeds from the disposal of the Notes.

In general, no withholding tax will be levied if an investor holding the Notes as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the interest income and other taxable savings income do not exceed the amount stated in the withholding tax exemption certificate filed. Similarly, no withholding tax will be deducted if an investor has submitted to the German Disbursing Agent a certificate of non-assessment (Nichtveranlagungs-Bescheinigung) issued by the relevant local tax office.

In the case of individuals holding the Notes as private assets, if German withholding tax is levied, such withholding tax will, in general, become definitive and replace the investor's income taxation (flat withholding tax - *Abgeltungsteuer*); in such case, the filing of a tax return for savings income is not required. If no tax is withheld, then the investor is obliged to file a tax return and the savings income will be taxed within the assessment procedure. However, the special tax rate for savings income applies, in principle, also in the assessment procedure. Further, an investor may alternatively request that all savings income of a given year is taxed at his/her individual income tax rate (if lower than the withholding tax rate) based on an assessment to tax with any amount overwithheld being refunded.

If the Notes form part of a trade or business, the withholding tax will not settle the income tax liability. Investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, inter alia, (a) the Notes are held by a company satisfying the requirements of section 43 para 2 sentence 3 no 1 German Income Tax Act, or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form. The investor is obliged to report income and related expenses in the (annual) tax return, and the balance will be taxed at the investor's applicable tax rate. Withholding tax levied, if any, will be credited against the (corporate) income tax of the investor. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

Non-residents

In general, income derived from the Notes by a Noteholder that is not tax-resident in Germany is subject to taxation in Germany and potentially withholding tax only under certain circumstances, e.g. (i) if the Notes are held as business assets of a permanent establishment, including a permanent representative, maintained in Germany by the Noteholder or (ii) the income qualifies for other reasons as taxable German source income (such as income from the letting and leasing of property). In such a case, a tax regime similar to that explained above for German tax residents will apply.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to the Notes will arise under the laws of Germany if, in the case of inheritance tax, neither the decedent nor the beneficiary or, in the case of gift tax, neither the donor nor the donee is a resident of Germany and the Notes are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

EU Savings Tax Directive

Concerning the EC Council Directive 2003/48/EC on the taxation of savings income, refer to the chapter on the European Union Savings Directive on page 238. By legislative regulations dated 26 January 2004, the Federal Government enacted provisions implementing the Directive into German law. These provisions apply from 1 July 2005.

No gross-up for German withholding tax (Kapitalertragsteuer)

Purchasers of the Notes should note that the relevant Issuer, in principle, will neither assume any liability for German withholding taxes (*Kapitalertragsteuer*) withheld from payments under the Notes, nor make any additional payments in regard of these taxes, i.e. no gross-up will apply in case a withholding tax is imposed, unless otherwise specified in the Final Terms.

EU Savings Directive

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

A number of non-EU countries (including Switzerland, Andorra, Liechtenstein, Monaco and San Marino), and certain dependent or associated territories (including Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands and Aruba) of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (having the meaning given to it in the EU Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, inter alia, (i) extend the scope of the EU Savings Directive to payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of EU resident individuals, and (ii) provide for a wider definition of interest subject to the EU Savings Directive. Investors who are in any doubt as to their position should consult their professional advisors.

PLAN OF DISTRIBUTION

General

Except for those countries or jurisdictions where a public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted on the basis of (i) the approval by the CSSF of this Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg and (ii) the certificates of approval as provided by the CSSF to the competent authorities in such relevant countries or jurisdictions, no action has been or will be taken in any country or jurisdiction by the Issuers, the Guarantor or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified by the agreement of the relevant Issuer, the Guarantor (in the case of Notes issued by BP2F) and the Dealers following a change in, or in the interpretation or application of, a relevant law, regulation or directive. Any such supplement or modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

Each of the Dealers, the relevant Issuer and (in the case of Notes issued by BP2F) the Guarantor has agreed not to take any action in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each of the Dealers has agreed to comply, to the best of its knowledge and belief, with all relevant securities laws, regulations and directives in each country or jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any other offering material, in all cases at its own expense.

Terms and conditions of the Offer

In the event of an offer of any Notes which is an offer to the public within the meaning of the Prospectus Directive but which is not made in circumstances contemplated in Article 3(2) of the Prospectus Directive (an "**Offer**"), the general conditions in relation to such Offer are as set out below, as further specified for each Series of Notes in the applicable Final Terms.

Offer size

The anticipated size of the offer of the Notes to the public will be set out in the applicable Final Terms as a fixed amount, as a minimum amount subject to increase, or as a range. The actual principal amount of Notes offered can be decreased or increased by the relevant Issuer at any time before the Issue Date. It will be determined by the relevant Issuer, after consultation with the arranger(s) of such offer, taking into account prevailing market conditions (including those in the debt and equity markets) and other relevant criteria and factors, including (but not limited to) demand for the Notes during the subscription period, broader economic and financial conditions and prospects and conditions affecting the relevant Issuer's ability to source or price hedging transactions with respect to its obligations under the Notes on terms satisfactory to it.

Once the results of the Offer are determined, the actual principal amount of Notes that will be offered, allotted to the subscribers and issued will be filed with the appropriate competent authority(ies) and communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

The Noteholders will be directly notified by, or on behalf of the placers as mentioned in item 11(x) of Part B of the Final Terms (the "**Placing Agents**"), of the number of Notes which has been allotted to them as soon as possible after the Issue Date.

Subscription, payment, delivery and allotment

The subscription period of the Offer (the "**Offer Period**") will be set out in the applicable Final Terms. However, the Offer Period may be (i) subject to an early termination due to reasons including (but not limited to) oversubscription or a decrease in the offer size in the circumstances set out under the heading "Offer size" above, or (ii) subject to an extension as referred to in the timetable set out under the heading "Indicative Timetable" below.

"Subscription" (and **"subscribe"** and **"subscriber"**) refers not only to the initial acquisition of the Notes from the relevant Issuer by the first purchaser, but to any purchase during the Offer Period.

The subscription price of the Notes payable by subscribers to the Placing Agents will be specified in the applicable Final Terms.

The minimum number of Notes which may be subscribed per subscriber is one Note and thereafter in multiples of one (1), unless otherwise specified in the applicable Final Terms. There is no maximum number of Notes which may be subscribed per subscriber unless otherwise stated in the applicable Final Terms.

If the Final Terms do not include the subscription price and/or other pricing data relating to the Notes such as the rate of Interest, a pricing statement disclosing this information will be published before the Issue Date. Unless otherwise indicated in the applicable Final Terms, the pricing statement will be published in the same manner as the Base Prospectus and the applicable Final Terms.

Payment for the Notes must be received by the relevant Placing Agent from subscribers on or before the Issue Date by debit of a cash account.

The delivery of the Notes will take place as described in the Base Prospectus and the Final Terms. On or about the Issue Date, the relevant securities account of each Noteholder will be credited with the relevant amount of Notes purchased.

By subscribing for, or subsequently otherwise acquiring, Notes, Noteholders are bound by the Terms and Conditions of the Notes and are deemed to have acknowledged and accepted the terms pursuant to which the Notes are being offered as set out in the Base Prospectus together with the applicable Final Terms.

Unless otherwise indicated in the applicable Final Terms, in case of an early termination of the subscription period due to oversubscription or a decrease in the Offer size in the circumstances set out under the heading "Offer size" above, allotment of the Notes will be made, to the extent possible, on the basis of objective allotment criteria. Any payment received in connection with the subscription of Notes which are not allotted will be returned within seven Business Days (Business Days in this section means days on which banks are open for general business in the relevant Public Offer Jurisdiction and the TARGET2 system is operating) after the date of receipt of such payment. However, there will be no entitlement to interest in respect of such payments.

Indicative timetable

An indicative timetable listing certain expected key dates for the Offer, such as (but not limited to) the publication of the prospectus, the latest time and date for subscriptions, the publication of the pricing statement (if relevant), and the announcement of the offer size will be specified in the applicable Final Terms. However, the timetable for the Offer is subject to acceleration or extension. Unless otherwise indicated in the applicable Final Terms, any acceleration or extension of the timetable for the Offer will be announced in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

Cancellation of the Offer

The relevant Issuer reserves the right to cancel, at any time on or before the Issue Date and for any reason, the Offer and issue of the Notes, it being understood that in such case no Notes will be issued. In the event of a cancellation, and unless otherwise indicated in the applicable Final Terms, such cancellation will be communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

The Offer may be cancelled if any of the following events occur:

- the Notes are not or will not be admitted to trading and listing on the relevant stock exchange on the Issue Date (or, in the case of an extension of the timetable, such later date as is determined by the relevant Issuer as the latest date for such admission);

- there has been a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls that would, in the view of the relevant Issuer or the relevant Dealer or Lead Manager, be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market;

- there has been, in the view of the relevant Issuer or the relevant Dealer or Lead Manager, an adverse change, financial or otherwise in the condition or general affairs of the relevant Issuer that would be likely to prejudice materially the success of the offering;

- the relevant Dealer or Lead Manager determines, in its absolute discretion, that it is unable to source or price appropriate hedging transactions relating to the relevant Issuer's obligations under the Notes on terms which are satisfactory to it;

- the Underwriting Agreement (if any) is terminated by the underwriter in accordance with its terms;

- the Placing and Purchase Agreement (if any) is terminated in accordance with its terms; or

- in any other circumstances where the relevant Issuer considers it necessary or desirable.

Subscription fees and taxes

Noteholders will bear fees and taxes including the following:

- a fee payable by the relevant Issuer to the relevant Dealer or/and to any Placing Agent if included in the subscription price of the Notes and then borne and paid by subscribers on subscription;

- any costs arising from holding their Notes on a securities account with a financial intermediary;

- any financial service costs which may be charged by any financial intermediary;

- taxes on stock market transactions other than upon initial subscription.

Other fees and charges

Except as stated above or in the applicable Final Terms, the relevant Issuer will not impose any charges or fees in respect of the Notes. Prospective purchasers should note, however, that they may be required to bear certain fees and charges for custodial, nominee, transfer and clearing services charged by the relevant clearing system(s) and/or any intermediaries for the holding, transfer or redemption of Notes. Prospective purchasers of Notes should contact any relevant intermediaries for further details of these fees and charges.

In the event that a notification of the prospective Noteholders is required and unless otherwise indicated in the applicable Final terms, such notification will be published in the same manner in which the Final Terms and the Base Prospectus have been published.

Underwriting and placing arrangements

The underwriters(s) mentioned in Item 39(i) of Part A of the applicable Final Terms (the **"Underwriter"**) may enter into an underwriting agreement with the relevant Issuer on or about the Issue Date (the **"Underwriting Agreement"**). Under the terms of the Underwriting Agreement and the amended and restated programme agreement between the Issuer and the Dealers dated 17 June 2011 (as amended, supplemented and/or restated from time to time) (the **"Programme Agreement"**) and subject to the satisfaction of certain conditions, the Underwriter will agree to subscribe for the Notes. The Underwriting Agreement may be terminated in certain circumstances by the Underwriter, prior to payment being made to the relevant Issuer. Any such termination is likely to result in a cancellation of the Offer, as described under the heading "Cancellation of the Offer" above.

The relevant Issuer and the Underwriter may also enter into a placing and purchase agreement with the Placing Agents on or about the first day of the Offer Period (the **"Placing and Purchase Agreement"**). If such an agreement is entered into, the Placing

Agents will agree to use their best endeavours, during the Offer Period and pursuant to the Offer, to procure subscribers for an aggregate principal amount of Notes equal to the anticipated Offer size of the Notes at the Subscription Price. If a Placing and Purchase Agreement is entered into, Each Placing Agent will also agree to purchase from the Underwriter on the Issue Date an aggregate principal amount of Notes equal to the principal amount of Notes placed by such Placing Agent pursuant to the Offer with the subscribers it has procured.

Each Placing Agent shall be entitled to deduct, before payment to the Underwriter, a commission representing a percentage of the principal amount of the Notes placed by it. The commission will be specified in the applicable Final Terms. The Placing and Purchase Agreement may be terminated in certain circumstances by the Underwriter or the Placing Agents, prior to payment being made to the Underwriter. Any such termination is likely to result in the cancellation of the Offer, as described under the heading "Cancellation of the Offer" above.

SELLING RESTRICTIONS

The following is only a description as at the date of this Base Prospectus of certain restrictions that may vary from time to time. Prospective investors and purchasers of Notes must inform themselves about all the relevant, applicable and up-to-date restrictions prior to investing in the Notes. Moreover the selling restrictions that are applicable to a Tranche of Notes may be modified in the relevant Final Terms if agreed by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s). Each Dealer has undertaken that it will, to the best of its knowledge, comply with all applicable securities laws, regulations and directives in each country or jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any other such offering material, in all cases at its own expense, and has agreed that it will only do so if it has been approved by the relevant Issuer and, if applicable, the Guarantor.

IN THE EUROPEAN ECONOMIC AREA

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the **"CSSF"**), which is the Luxembourg competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive, the Luxembourg Law dated 10 July 2005 on prospectuses for securities, and any other relevant implementing legislation in Luxembourg for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date of publication of this Base Prospectus. Consequently Notes issued under the Programme may be offered to the public, in accordance with the requirements of the Prospectus Directive.

The Issuers have requested the CSSF to provide to the relevant competent authority of The Netherlands, Belgium, France, Germany and Italy respectively with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Issuers reserve the right to request the CSSF to provide the competent authority of any other host Member State, in the meaning of the Prospectus Directive, with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive, such notification being accompanied by the relevant translation of the summary of this Base Prospectus, if applicable.

Belgium

Belgium has implemented the Prospectus Directive and the section headed "European Economic Area Public Offer Selling Restrictions" below is applicable.

With regard to Notes having a maturity of less than 12 months and qualifying as money market instruments (and which therefore fall outside the scope of the Prospectus Directive), this Base Prospectus has not been submitted for approval to the Belgian Financial Services and Markets Authority and, accordingly, such Notes may not be distributed in Belgium by way of a public offering, as defined for the purposes of 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.

France

Each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that, unless the approval of this Base Prospectus by the Luxembourg *Commission de Surveillance du Secteur Financier* (the **"CSSF"**) has been notified to the French *Autorité des marchés financiers* (the **"AMF"**) in accordance with Article 18 of the Prospectus Directive, as implemented in France, and all the other procedures and formalities required by French laws and

regulations to permit the offering and sale of Notes in France have been carried out, it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to providers of investment services relating to portfolio management for the account of third parties and/or to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in Articles L.411 –2 and D.411 –1 to D.411 –3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411 –1 II 2°.

In addition, each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

Grand Duchy of Luxembourg

The Notes with a maturity of less than 12 months that may qualify as securities and money market instruments in accordance with Article 4.2.j) of the Luxembourg law dated 10 July 2005 on prospectuses for securities (the "**Luxembourg Prospectus Law**"), transposing into the Grand Duchy of Luxembourg 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, may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg unless: (i) a simplified prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* pursuant to part III of the Luxembourg Prospectus Law; or (ii) the offer benefits from an exemption to or constitutes a transaction not subject to, the requirement to publish a simplified prospectus under part III of the Luxembourg Prospectus Law.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

(1) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **"Decree No. 58"**), and defined in Article 34-*ter*, paragraph 1, letter (b) of CONSOB's regulation No. 11971 of 14 May 1999, as amended (the **"Regulation No. 11971"**); or

(2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period (i) commencing on the date of publication of such prospectus, **provided that** such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under Decree 58 and Regulation No. 11971, and (ii) ending on the date which is 12 months after the date of publication of such prospectus; or

(3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or under Regulation No. 11971.

Any such 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 must be:

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB's regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and

(b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in the Republic of Italy

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-*bis* of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations.

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession; (c) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Dutch Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) *No deposit-taking:* in relation to any Notes having a maturity of less than one year:

(i) 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

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) 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 FSMA by the relevant Issuer;

(b) *Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 relevant Issuer or the Guarantor; and

(c) *General compliance:* 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.

European Economic Area Public Offer Selling Restrictions

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **"Relevant Member State"**), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that with effect from and including the date on which the Prospectus Directive (as may be amended from time to time in particular in accordance with the 2010 PD Amending Directive, as implemented in such Member State) is implemented in that Relevant Member State (the **"Relevant Implementation Date"**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus as the case may be) 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 Notes to the public in that Relevant Member State:

(a) *Approved prospectus:* if the Final Terms or Drawdown Prospectus 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 which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms as applicable;

(b) *Authorised institutions*: at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) *Significant enterprises*: at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;

- (d) *Fewer than 100 offerees*: 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

(e) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive (as may be amended from time to time in particular in accordance with the 2010 PD Amending Directive, as implemented in such Member State).

Provided that no such offer of Notes referred to in (b), (c), (e) and (f) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression **"an offer of Notes to the public"** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **"Prospectus Directive"** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

OUTSIDE THE EUROPEAN ECONOMIC AREA

Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Instruments which are "structured products" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance and any rules under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purpose of issue, and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document, relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to the persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, **"Japanese Person"** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the **"SFA"**).

Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Investors should note that any subsequent sale of the Notes acquired pursuant to an offer in this Base Prospectus and the Final Terms made under exemptions (i) or (ii) above, within a period of six months from the date of initial subscription or purchase, is restricted to (a) institutional investors as defined in Section 4A of the SFA, (b) relevant persons as defined in Section 275(2) of the SFA, and (c) persons pursuant to an offer referred to in Section 275(1A) of the SFA.

Each Dealer has further represented, warranted and agreed to notify (whether through the distribution of this Base Prospectus, the Final Terms or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes or otherwise) and hereby notifies each of the following relevant persons specified in Section 276 of the SFA which subscribes or purchases Notes from or through that Dealer, namely a person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations in accordance with the conditions specified in Section 275(1A) of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

Switzerland

Only banks registered under the Swiss Banking Act of 8 November 1934 ("**Banking Act**") and securities dealers registered under the Swiss Exchange and Securities Trading Act of 24 March 1995 ("**SESTA**") are entitled to offer the Notes to the public in Switzerland.

THE NOTES ARE NOT SHARES OR UNITS OF A COLLECTIVE INVESTMENT SCHEME WITHIN THE MEANING OF THE SWISS COLLECTIVE INVESTMENT SCHEMES ACT OF 23 JUNE 2006 (THE "CISA") AND HAVE NOT BEEN APPROVED BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY AND ARE NOT SUBJECT TO ITS SUPERVISION. THIS PROSPECTUS IS NEITHER MEANT TO BE A PROSPECTUS WITHIN THE MEANING OF ARTICLE 5 CISA AND ITS IMPLEMENTING REGULATIONS NOR WITHIN THE MEANING OF ARTICLES 652A AND 1156 OF THE SWISS CODE OF OBLIGATIONS. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED TO THE PUBLIC IN OR FROM SWITZERLAND AND NEITHER THIS BASE PROSPECTUS NOR ANY OTHER OFFERING MATERIALS RELATING TO THE NOTES MAY BE MADE AVAILABLE THROUGH A PUBLIC OFFERING IN OR FROM SWITZERLAND. THE NOTES MAY ONLY BE OFFERED IN OR FROM SWITZERLAND TO QUALIFIED INVESTORS (AS DEFINED IN THE CISA AND ITS IMPLEMENTING REGULATIONS) AND TO A LIMITED CIRCLE OF INVESTORS IN A MANNER CONSISTENT WITH THE REQUIREMENTS OF CISA AND ITS IMPLEMENTING REGULATIONS. EACH OF THIS DOCUMENT IS ADDRESED TO A SPECIFICALLY NAMED RECIPIENT AND MAY NOT BE PASSED ON TO THIRD PARTIES.

Additional specific selling restrictions, if any, applicable in Switzerland will be included in the Final Terms of the relevant Notes.

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the **"Securities Act"**) and include Notes in bearer form that are subject to U.S. tax law requirements. Notes may not be offered, sold or delivered within the United States or to U.S. persons unless an exemption from the registration requirements of the Securities Act is available. Terms used in this paragraph have the meaning ascribed in Regulation S under the Securities Act.

Each note (and associated coupon, receipt and talon) with a maturity of 365 days or more will bear the following legend:

ANY UNITED STATES PERSON 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.

Each Dealer has agreed that it will not offer, sell or deliver the Notes of any Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, or the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes 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.

In addition, each Dealer represents and agrees:

(1) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**"),

(a) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and

(b) it has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(2) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(3) if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6);

(4) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, it either (a) repeats and confirms the representations contained in Clauses (1), (2) and (3) on behalf of such affiliate or (b) agrees that it will obtain from such affiliate for the benefit of the relevant Issuer the representations contained in Clauses (1), (2) and (3); and

(5) it shall obtain for the benefit of the Issuer and each other Dealer the representations, undertakings and agreements contained in sub-clauses (a), (b), (c) and (d) of this paragraph, insofar as they relate to the D Rules, from any person other than its affiliate with whom it enters into a written contract, (a "distributor" as defined in United States Treasury Regulation §1.163-5(c)(2)(i)(D)(4)), for the offer or sale during the restricted period of the Notes.

Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes from that offering within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

FORM OF FINAL TERMS

Final Terms dated [•]

[FORTIS BANK NV/SA

(incorporated as a public company with limited liability (naamloze vennootschap/société anonyme) under the laws of Belgium, having its registered office in Montagne du Parc 3, B-1000 Brussels, and registered with the register of legal entities of Brussels under enterprise No. 0403.199.702]

[BNP PARIBAS FORTIS FUNDING

(incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 67, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Registry of Commerce and Companies under No. B 24.784)]

Issue of [*Aggregate Principal Amount of Tranche*] [*Title of Notes*]
[Guaranteed by FORTIS BANK NV/SA]
under the EUR 30,000,000,000
Euro Medium Term Note Programme

[[[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **"Relevant Member State"**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 43 of Part A below, provided such person is one of the persons mentioned in Paragraph 39 or 40 of Part A below and that such offer is made during the Offer Period specified for such purposes therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances][1].

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligations arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.][2]]][3]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 17 June 2011 [and the supplement[s] to the Base Prospectus dated [•] [and [•]]] (together, the **"Base Prospectus"**) which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **"Prospectus Directive"**). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

[1] Include this legend where a non-exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated.
[2] Include this legend where only an exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated
[3] Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the [date] Conditions (the "**Conditions**") incorporated by reference in the Base Prospectus dated [original date] [and the supplement to this Base Prospectus dated [•]]. This document contains the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive") and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [•]] (together, the "Base Prospectus") which [together] constitute[s] a Base Prospectus for the purposes of the Prospectus Directive.

[Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus[1]] [is/are] available for viewing at the [website of the Luxembourg Stock Exchange (www.bourse.lu)] and copies may be obtained from BNP Paribas Fortis Funding at [67, boulevard Grande-Duchess Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg] and Fortis Bank NV/SA at Montagne du Parc 3, B-1000 Brussels, the Fiscal Agent, BNP Paribas Securities Services, Luxembourg Branch at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg.

The applicable Final Terms (in the case of Notes listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange (**"Luxembourg Regulated Market"**)) will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Principal Paying Agent and Luxembourg Paying Agent at 33, rue de Gasperich, Howald, Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg][2]

These Final Terms do not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of these Final Terms in any jurisdiction where such action is required.

An investment in the Notes involves certain risks. Prospective investors should carefully consider the risk factors included in the Base Prospectus and any complementary risk considerations included in these Final Terms prior to investing in the Notes. Each prospective investor should also carefully consider the tax considerations relating to the Notes included in the Base Prospectus and any other up-to-date tax considerations that would be relevant for such prospective investor.

Moreover, prospective investors and purchasers of Notes must inform themselves about all the relevant applicable and up-to-date restrictions, including but not limited to, selling and transfer restrictions relating to the Notes, prior to investing in the Notes.

In case of any doubt about the functioning of the Notes or about the risk involved in purchasing the Notes, prospective investors should consult a specialised financial advisor or abstain from investing. Each prospective purchaser of Notes must determine his investment decision based on its own independent review of the information included in the Base Prospectus and in this Final Terms.

[1] Only include details of a supplement to the Base Prospectus in which the Conditions have been amended for the purposes of all issues under the Programme.
[2] Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance 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.]

Unless stated otherwise, include all the items listed in Part A — Contractual Terms of these Final Terms in connection with all Notes.

1.	[(i)]	Issuer:	Fortis Bank NV/SA/BNP Paribas Fortis Funding
	[(ii)	Guarantor:	Fortis Bank NV/SA]
2.	[(i)]	Series Number:	[•]
	[(ii)	Tranche Number:	[•] **[***If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*]
3.	Currency or Currencies:		[•] [(*being equivalent of [•] Units)*]
4.	Form:		[Bearer Notes][Exchangeable Bearer Notes][Registered Notes]
5.	Principal Amount:		
	[(i)]	Series:	[•]
	[(ii)	Tranche:	[•]]
6.	Issue Price:		[•] per cent. of the Principal Amount of Tranche [plus accrued interest from [*insert date*] [(*in the case of fungible issues only, if applicable*)]
7.	Specified Denominations and Units:		
	[(i)]	Specified Denomination(s):	[•] *[(Notes issued by Fortis Bank under the Programme which are to be admitted to trading on a regulated market situated or operating within a Member State or which are to be offered to the public in one or more Member States (where the terms "regulated market" and "offer to the public" are within the meaning of any measures implementing the Prospectus Directive in any relevant Member State) may not have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency]* [*EUR 50,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 99,000. No notes in definitive form will be issued with a denomination above EUR 99,000.*]
	(ii)	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, the highest common factor of those Specified Denominations (note:*

		there must be a common factor in the case of two or more Specified Denominations).]
	[(iii) Trading in Units:	[Applicable/Not Applicable] [*If Trading in Units is specified as being Applicable then the Notes will be tradeable (only whilst such Notes are in global form and interests therein are reflected in the records of the relevant clearing systems) by reference to the number of Notes being traded (each having the Specified Denomination) as opposed to the aggregate principal amount of Notes being traded. [Trading in Units may only be specified as being Applicable if the Notes have a single Specified Denomination.*]]
	[(iv) Minimum Trading Size:	[*specify*]]
8.	[(i)] Issue Date:	[•]
	[(ii) Interest Commencement Date:	[•]]
9.	Maturity Date:	[•], [subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention/[The Interest Payment Date falling in or nearest to [*specify month and year*]] [subject as provided in Part 5 – "Credit Linked Notes"] (*include for Credit Linked Notes*)]. [The Notes are Junior Subordinated Notes and accordingly have no Maturity Date] [*If the Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.*]
10.	Interest Basis:	[Not Applicable] [[•] per cent. Fixed Rate] [[*specify reference rate*] +/- [•] per cent. Floating Rate] [Zero Coupon] [Variable Coupon Amount] [Index-Linked Interest] [Equity-Linked Interest] [Fund-Linked Interest] [Non Interest Bearing] [*specify other*] (*further particulars specified below*)
11.	Redemption Amount:	[Principal Amount] [Index-Linked Redemption Amount] [Equity-Linked Redemption Amount] [Credit-Linked Redemption Amount] [Variable-Linked Redemption Amount] [*specify other*] (*further particulars specified below*)
12.	Change of Interest or Redemption Amount:	[*Specify details of any provision for convertibility of Notes into*

		another interest or redemption/payment basis]
13.	Terms of redemption at the option of the Issuer/Noteholders or other Issuer's/Noteholders' option:	[•] [(*further particulars specified below*)]
14. [(i)]	Status of the Notes:	[Senior/Senior Subordinated/Junior Subordinated[1]]
[(ii)	Status of the Guarantee:	[Senior/Senior Subordinated/Junior Subordinated/Not applicable][2]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]
(i)	Interest Rate[s]:	[•] per cent. per annum [payable [annually/semiannually/quarterly/monthly] in arrear]
(ii)	Interest Payment Date(s):	[•] in each year [adjusted in accordance with the Business Day Convention] [for the purpose of payment only[3]] *or* [Not subject to adjustment] *(If applicable, identify any Additional Business Centre(s) for the purpose of payment)*
(iii)	Interest Period Dates:	[•] *(Specify if different to the Conditions)*
(iv)	Fixed Coupon Amount[(s)]:	[•] per Calculation Amount [*Do not specify a Fixed Coupon Amount for Credit-Linked Notes*]
(v)	Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
(vi)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/*other*]
(vii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(viii)	Other terms relating to the method of calculating interest for Fixed Interest Rate Notes:	[Not Applicable/*give details*]
16.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] [(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)]
(i)	Interest Payment Date(s):	[•] in each year [adjusted in accordance with the Business Day Convention] [for the purpose of payment only[4]] *or* [Not subject to adjustment] *(If applicable, identify any Additional Business Centre(s) for the purpose of payment)*

[1] In the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by BP2F) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.

[2] Add the following language if Board (or similar) authorisation is required for the particular tranche of notes or related guarantee (delete accordingly where the Issuer is Fortis Bank NV/SA: Date of [BNP Paribas Fortis Funding's Board and Guarantor's Fortis Bank NV/SA's Management Committee approval for issuance of Notes [and Guarantee] obtained: [•] [and [•], respectively]

[3] Insert "for the purpose of payment only" if the accrual periods are not subject to adjustment in the same manner as the payment dates.

[4] Insert "for the purpose of payment only" if the accrual periods are not subject to adjustment in the same manner as the payment dates.

(ii)	Interest Accrual Period:	[•] *(Specify if different to the Conditions)* *(If applicable, identify any Additional Business Centre(s) for the purpose of interest accrual periods)*
(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(iv)	Reference Banks:	[*specify four*]
(v)	Spread (if applicable):	[•] per cent. per annum
(vi)	Spread Multiplier (if applicable):	[•]
(vii)	Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]):	[•]
(viii)	Relevant Time (if applicable):	[•]
(ix)	Screen Rate Determination:	
	— Benchmark:	[EURO BBA LIBOR, EURIBOR or other benchmark]
	— Interest Determination Date(s):	[[•] Business Days in [*specify city*] prior to] [the first day in each Interest Period/each Interest Payment Date] [(*Indicate Interest Determination Date and specify if the calculation is to be made at the beginning /end of the period*.)] *(If applicable, identify any Additional Business Centre(s) for the purpose of interest determination dates)*
	— Relevant Screen Page:	[•] [*For example, Reuters LIBOR 01/EURIBOR 01*]
	— Relevant Financial Centre:	[•] [*For example, London/Euro-zone (where Euro-zone means the region comprised of countries whose lawful currency is the euro*)]
(x)	ISDA Determination:	
	— Floating Rate Option:	[•]
	— Designated Maturity:	[•]
	— Reset Date:	[•]
(xi)	Minimum Interest Rate:	[[•] per cent. per annum]/[Not Applicable]]
(xii)	Maximum Interest Rate:	[[•] per cent. per annum]/[Not Applicable]]
(xiii)	Day Count Fraction:	[•]
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]

17.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] [(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)]
(i)	*Amortisation Yield (Zero Coupon/High Interest/Low Interest Note)*:	[•] per cent. per annum
(ii)	Reference Price (Zero Coupon/High Interest/Low Interest Note):	[•]
(iii)	Any other formula/basis of determining amount payable:	[•]
18.	**Index-Linked Interest Note/Equity-Linked Interest Note/Fund-Linked Note/other variable-linked interest Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Index/Shares/Fund Interest/formula/other variable:	[*give or annex details*]
(ii)	Calculation Agent responsible for calculating the interest due:	[•]
(iii)	Provisions for determining coupon where calculated by reference to Index/Shares/Fund Interest/formula and/or other variable:	[•]
(iv)	Interest Determination Date(s):	[[•] Business Days in [*specify city*] prior to] [the first day in each Interest Period/each Interest Payment Date] [Subject to adjustment in accordance with the Business Day Convention] *or* [Not subject to adjustment] *(If applicable, identify any Additional Business Centre(s) for the purpose of interest determination dates)*
(v)	Provisions for determining Coupon where calculation by reference to Index/Shares/Fund Interest/formula and/or other variable is impossible or impracticable or otherwise disrupted:	[•] [*Need to include a description of market disruption or settlement disruption events and adjustment provision*]
(vi)	Interest or Calculation Period Dates/Interest Payment Dates:	[•] [Subject to adjustment in accordance with the Business Day Convention] *or* [Not subject to adjustment] *(If applicable, identify any Additional Business Centre(s) for the purpose of payment and/or interest accrual periods)*
(vii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(viii)	Minimum Interest Rate:	[[•] per cent. per annum]/[Not Applicable]]
(ix)	Maximum Interest Rate:	[[•] per cent. per annum/[Not Applicable]]
(x)	Day Count Fraction:	[•]

(xi) Description of any market disruption or settlement disruption events that affect the underlying: [•]

PROVISIONS RELATING TO REDEMPTION

19. **Redemption at the option of the Issuer or other Issuer's option** [Applicable/Not Applicable]

[I*n the case of Junior Subordinated Notes, include an option by the Issuer or (in the case of Notes issued by BP2F) the Guarantor to redeem the Notes no later than 10 years after the Issue Date, and subsequently, at least once every 10 years.*]

[*If not applicable, delete the remaining sub-paragraphs of this paragraph*]

(i) Issuer's Option Period: [•]

[*Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.*]

(ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount [*For Credit-Linked Notes, specify "As per Conditions" unless the Redemption Amount is to be determined in accordance with another method*]

(iii) If redeemable in part: [Applicable/Not Applicable]

— minimum redemption amount: [•] per Calculation Amount

— maximum redemption amount: [•] per Calculation Amount

20. **Redemption at the option of the Noteholder or other Noteholder's option** [Applicable/Not Applicable] [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]

(i) Noteholder's Option Period: [•]

[*Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.*]

(ii) Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount [*For Credit-Linked Notes, specify "As per Conditions" unless the Redemption Amount is to be determined in accordance with another method*]

21. **Final Redemption Amount of each Note** [[•] per Calculation Amount]/[Par]/[Other]]

[*For Credit-Linked Notes, specify "As per Conditions" unless the Redemption Amount is to be determined in accordance with another method*]

In cases where the Final Redemption Amount is linked to an index, shares, fund interests, formula or other variable-linked:

(i) Index/Shares/Fund Units/formula/other variable: [*Indicate, inter alia, the ISIN and the exchanges (if any) on which the underlying(s) is (are) listed. If Business Days is to be defined with respect to countries on whose exchanges the underlying(s) is(are)*

		listed, indicate all countries to be taken into account for the purposes of figuring out the Determination Date and other relevant dates.]
(ii)	Calculation Agent responsible for calculating the Final Redemption Amount	[*give or annex details*]
(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index/Shares/Fund Interests/formula and/or other variable:	[•]
(iv)	Determination Date(s):	[•]] Subject to adjustment in accordance with the [*name of applicable Business Day Convention*] *or* [Not subject to adjustment] *(If applicable, identify any Additional Business Centre(s) for the purpose of determination of the Final Redemption Amount)*
(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index/Shares/Fund Interests/formula and/or other variable is impossible or impracticable or otherwise disrupted:	[•]
(vi)	Payment Date:	[•] Subject to adjustment in accordance with the [*name of applicable Business Day Convention*] *or* [Not subject to adjustment] *(If applicable, identify any Additional Business Centre(s) for the purpose of payment of the Final Redemption Amount)*
(vii)	Minimum Final Redemption Amount:	[[•] per Calculation Amount/Not Applicable]
(viii)	Maximum Final Redemption Amount:	[[•] per Calculation Amount/Not Applicable]

22. **Redemption Amount**

(i)	Early redemption for taxation reasons and method of calculating the same (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable/As per Conditions] [(*If not applicable delete the remaining sub-paragraphs of this paragraph) and insert "do not apply" in paragraph 33 (Taxation*)]
	(a) Redemption Amount of each Note payable on redemption:	[*specify amount*/Not Applicable/The Early Redemption Amount shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) based on the market value of the Notes as determined by the Calculation Agent and by deducting the cost to the Issuer of unwinding any contractual or swap arrangements/As per Conditions/Not Applicable] [*For Credit-Linked Notes, specify "As per Conditions" unless the Redemption Amount is to be determined in accordance with another method*]
	(b) Method of calculating (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable/As per Conditions] [The Issuer will not pay any additional amount in case of tax changes.] [*specify other method/arrangements*]
(ii)	Early redemption on event of default and method of calculating the same (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable] [(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)]

	Redemption Amount of each Note payable on early redemption:	[*Specify amount in the relevant currency*/The Redemption Amount of any Note shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) based on the market value of the Notes as determined by the Calculation Agent and by deducting the cost to the Issuer of unwinding any contractual or swap arrangements/As per Conditions / [*Other - specify other method/arrangements for calculating the Redemption Amount payable on early redemption*]
(iii)	Early redemption for other reasons (*specify*) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable] [*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*]
	(a) Redemption Amount of each Note payable on redemption:	[Applicable/Not Applicable] [*specify amount*]
	(b) Method of calculating (if required or if different from that set out in the Conditions):	[Applicable/Not Applicable] [*specify method/arrangements*]
23.	Instalment Date(s) (if applicable):	[•]
24.	Instalment Amount(s) (if applicable):	[•]
25.	Unmatured Coupons to become void upon early redemption:	[•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26.	Form of Notes:	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.] [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]. [*Insert this option for Notes issued by Fortis Bank NV/SA and cleared through the X/N System.*]
27.	[New Global Note:][*delete if Registered Notes*]	[Applicable/Not Applicable] [*If "Not Applicable" is specified, ensure that "Not Applicable" is also specified for Eurosystem eligibility in the relevant paragraph of section 10 of Part B of these Final Terms, and if "Applicable" is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem eligibility.*]
28.	Business Day Jurisdictions for Condition 6(g) and any special provisions relating to payment dates:	[Not Applicable/*give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(iii), 16(ii) and 18(vi) relate*]
29.	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon:	[No/Yes, maturing every [•] Interest Payment Dates]

30. Details relating to Redemption by Instalments: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*] [(*with respect to dates, indicate whether they are subject to adjustment in accordance with the applicable Business Day Convention*)]
31. Consolidation provisions:	[Not Applicable/The provisions annexed to these Final Terms apply]
32. Exchange for Definitive Notes at the request of the holder at the expense of:	[the Issuer/Holder] (*Indicate which party will pay the costs of exchange for Definitive Notes at the request of the Noteholder*)
33. Taxation:	The provisions in Condition 7 of the Terms and Conditions of the Notes [do not] apply
34. Other final terms:	[Not Applicable/*give details*] *(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.)*

INDEX LINKED NOTE PROVISIONS

35. Index Linked Note Provisions	[Applicable/Not Applicable] [*If "Not Applicable" delete remaining sections of this paragraph*]

[*The following provisions in items (i) to (xv) apply to Notes linked to a single index only (delete all of these items if not applicable)*:

(i)	Additional Disruption Event:	[None/*Specify*]
(ii)	Averaging Dates:	[*specify dates or delete if not applicable*]
(iii)	Barrier Level:	[[•] per cent. of [Initial Index Level] (*or delete if not applicable*)]
(iv)	Business Day:	[A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Settlement Day]]
(v)	Business Day Convention:	[ ]
(vi)	Constant Monitoring:	[*specify as applicable and delete "Valuation Time Only" below, or delete if not applicable*]
(vii)	Exchange(s):	[*specify relevant exchange if "Non-Multi Exchange Index" is specified below, otherwise delete*]
(viii)	Expiration Date:	[*specify date or delete if not applicable*]
(ix)	Final Index Level:	[*specify if the fallback provisions in Part 2A of the Terms and Conditions of the Notes are not applicable, or delete if not applicable*]
(x)	Index:	[*specify*]
(xi)	Initial Index Level:	[*specify the Index Level on the Strike Date or delete if not applicable*]
(xii)	Multi-Exchange Index:	[Yes/No]
(xiii)	Non Multi-Exchange Index:	[Yes/No]

(xiv)	Observation Date(s):	[*specify or delete if not applicable*]
(xv)	Observation Period:	[The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
(xvi)	Strike Date:	[*specify or delete if not applicable*]
(xvii)	Strike Price:	[*specify or delete if not applicable*]
(xviii)	Valuation Date(s):	[ ]
(xix)	Valuation Time:	[ ]
(xx)	Other:	[*insert any other relevant terms*]]

[*The following provisions in items (i) to (xiii) apply to Notes linked to a basket of indices only (delete all of these items if not applicable)*:

(i)	Additional Disruption Event:	[None] [*Specify*]
(ii)	Averaging Dates:	[*specify dates or delete if not applicable*]
(iii)	Barrier Level:	[[•] per cent. of Initial Index Level (*or delete if not applicable*)]
(iv)	Basket/Weight:	[*specify names of Indices and their respective weightings*] [*indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices*]
(v)	Business Day:	[A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Settlement Day]]
(vi)	Business Day Convention:	[ ]
(vii)	Constant Monitoring:	[*specify as applicable and delete "Valuation Time Only" below, or delete if not applicable*]
(viii)	Exchange(s):	[*specify relevant exchange if "Non-Multi Exchange Index" is specified below, otherwise delete*]
(ix)	Expiration Date:	[*specify date or delete if not applicable*]
(x)	Final Index Level:	[ ]
(xi)	Initial Index Level:	[*specify the Index Level on the Strike Date or delete if not applicable*]
(xii)	Observation Date(s):	[*specify date or delete if not applicable*]
(xiii)	Observation Period:	[The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [*or delete if not applicable*]
(xiv)	Strike Date:	[*specify or delete if not applicable*]
(xv)	Strike Price:	[*specify or delete if not applicable*]
(xvi)	Valuation Date(s):	[ ]
(xvii)	Valuation Time:	[ ]
(xviii)	Other:	[*insert any other relevant terms*]]

EQUITY LINKED NOTE PROVISIONS

36.	**Equity Linked Note Provisions**	[Applicable/Not Applicable] [*If "Not Applicable" delete remaining sections of this paragraph*]
	[*The following provisions in items (i) to (xxi) apply to Notes linked to a single share only (delete all of these items if not applicable)*	
(i)	Additional Disruption Event:	[*specify*]
(ii)	Averaging Dates:	[*Specify dates or delete if not applicable*]
(iii)	Business Day:	[A day on which [(i)] commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Settlement Day]]
(iv)	Barrier Level:	[ ] per. cent of Initial Share Price (or delete if not applicable)]
(v)	Constant Monitoring:	[*specify as applicable and delete "Valuation Time Only" below, or delete if not applicable*]
(vi)	Exchange:	[*specify*]
(vii)	Expiration Date:	[*specify date or delete if not applicable*]
(viii)	Final Share Price:	[*specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable*]
(ix)	Initial Share Price:	[*specify if the fallback provisions in Part 3A are not applicable, or delete if not applicable*]
(x)	Observation Date(s):	[*specify date(s) or delete if not applicable*]
(xi)	Observation Period:	[The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [*or delete if not applicable*]
(xii)	Share Amount:	[*specify formula or delete if not applicable*]
(xiii)	Share Currency:	[*specify*]
(xiv)	Share Delivery:	[*specify as applicable or delete if no applicable*] [*if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)*] [*if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes*]
(xv)	Share Delivery Date:	[[*specify date*], subject to Condition 5(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (*or delete if not applicable*)]
(xvi)	Share Issuer:	[*specify*]
(xvii)	Shares:	[*provide name and short description of type of shares issued by the Share Issuer*] (ISIN: [•]) (Bloomberg Code: [•])
(xviii)	Strike Date:	[*specify or delete if not applicable*]

(xix)	Strike Price:	[*specify or delete if not applicable*]
(xx)	Valuation Time Only:	[*specify as applicable and delete "Constant Monitoring" above, or delete if not applicable*]
(xxi)	Other Terms:	[*Insert any other relevant terms*]]

[*The following provisions at items (i) to (xxi) apply to Notes linked to a Basket of Shares only (delete all of these items if not applicable)*:

(i)	Additional Disruption Event:	[*specify]*
(ii)	Averaging Dates:	[*Specify dates or delete if not applicable*]
(iii)	Barrier Level:	[[ ] per. cent of Initial Share Price (or delete if not applicable)]
(iv)	Basket:	"**Basket**" means a basket composed of Shares in the relative [proportions/numbers of Shares] of each Share Issuer specified below: [*Insert details of*: * *Share Issuer* * [*Proportion/number of Shares*] * *ISIN number* * *Exchange*] * *Bloomberg Code*
(v)	Business Day:	[A day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET Settlement Day]]
(vi)	Constant Monitoring:	[*specify as applicable and delete "Valuation Time Only" below or delete if not applicable*]
(vii)	Expiration Date:	[*specify date or delete if not applicable*]
(viii)	Final Share Price:	[*specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable*]
(ix)	Initial Share Price:	[*specify if the fallback provisions in Part 3B are not applicable, or delete if not applicable*]
(x)	Observation Date(s):	[*specify date(s) or delete if not applicable*]
(xi)	Observation Period:	[The period from and including [the Issue Date/the Strike Date/[•]] to and including [the Expiration Date/[•]] [or delete if not applicable]
(xii)	Share Amount:	[*specify formula or delete if not applicable*]
(xiii)	Share Currency:	[*specify*]
(xiv)	Share Delivery:	[*specify as applicable or delete if no applicable*] [*if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)*]

[*if applicable, specify if the Notes are Reverse Convertible Notes, Worst-off Reverse Convertible Notes or other kind of Notes*]

(xv) Share Delivery Date: [[*specify date*], subject to Condition 5(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (*or delete if not applicable*)]

(xvi) Share Issuer: [*specify*]

(xvii) Shares: [*provide name and a short description of type of shares issued by the Share Issuer*] (ISIN: [•])

(xviii) Strike Date: [*specify or delete if not applicable*]

(xix) Strike Price: [*specify or delete if not applicable*]

(xx) Valuation Time Only: [*specify as applicable and delete "Constant Monitoring" above or delete if not applicable*]

(xxi) Other terms: [*insert any other relevant terms*]]

FUND-LINKED NOTE PROVISIONS

37. **Fund-Linked Note Provisions:** [Not Applicable/Applicable]

The following provisions at items (i) to (xlix) apply to Notes linked to a single fund interests only (delete all of these items if not applicable).

(i) Additional Fund Document(s): [*specify or delete if not applicab*le]

(ii) Additional Fund Service Provider(s): [*specify or delete if not applicab*le]

(vi) Automatic Early Redemption: [Applicable][Not Applicable]

[*If Applicable*:

Automatic Early Redemption Amount: [*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]

Automatic Early Redemption Date: [ ]

Automatic Early Redemption Event: [*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]

Automatic Early Redemption Price: [ ]

Automatic Early Redemption Rate: [ ]

Automatic Early Redemption Valuation Date: [ ]

Automatic Early Redemption Valuation Time: [*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]

(vii) Averaging Date: [*specify or delete if not applicab*le]

(viii) Company: [*specify or delete if not applicab*le]

(ix) Cut-off Period: [*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]

(x)	Eligible Fund Interest:	[*specify or delete if not applicab*le]
(xi)	ETF and Exchange:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xii)	Extraordinary Dividend:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xiii)	Final Cut-off Date:	[*specify or delete if not applicab*le]
(xiv)	Fund Administrator:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xv)	Fund Adviser:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xvi)	Fund Business Day:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xvii)	Fund Custodian:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xviii)	Fund Interest:	[ ] [*specify ISIN (if any) and Bloomberg page (if any)*]
(xix)	Fund Interest Performance:	[*specify or delete if not applicable*]
(xx)	Fund Interest Units:	[ ]
(xxi)	Fund Subscription Date:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xxii)	Hedge Fund:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xxiii)	Hypothetical Investor:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xxiv)	Hypothetical Investor Jurisdiction:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xxv)	Initial Fund Interest Unit Price:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]
(xxvi)	Key Personnel:	[*specify or delete if not applicable*]
(xxvii)	Knock-in Event:	[Applicable][Not Applicable] *[If Applicable:* Knock-in Determination Day: [*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*] Knock-in Price: [ ] Knock-in Reference Asset: [*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*] Knock-in Valuation Time: [*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable*]

(xxviii) Knock-out Event:	[Applicable][Not Applicable] *[If Applicable:* Knock-out Determination Day: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]* Knock-out Price: [ ] Knock-out Reference Asset: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]* Knock-out Valuation Time: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
(xxix) Maximum Allocation to Single Hedge Fund Percentage:	*[specify or delete if not applicable]*
(xxx) Maximum Borrowing Allocation Percentage:	*[specify or delete if not applicable]*
(xxxi) Maximum Quarterly Plus Liquidity Allocation Percentage:	*[specify or delete if not applicable]*
(xxxii) Minimum Monthly Liquidity Allocation Percentage:	*[specify or delete if not applicable]*
(xxxiii) Minimum Number of Underlying Hedge Funds:	*[specify or delete if not applicable]*
(xxxiv) Minimum Volatility Percentage:	*[specify or delete if not applicable]*
(xxxv) NAV Trigger Percentage:	*[specify or delete if not applicable]*
(xxxvi) NAV Trigger Period:	*[specify or delete if not applicable]*
(xxxvii) Protected Amount:	*[specify or delete if not applicable]*
(xxxviii) Redemption Notice Date:	[*specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
(xxxix) Reference Price:	*[specify method of determination if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
(xl) Relevant Fund Interest Unit Price:	*[specify method of determination if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
(xli) Scheduled Redemption Payment Date:	*[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
(xlii) Settlement Cycle:	*[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*
(xliii) Strike Date:	*[specify or delete if not applicable]*
(xliv) Strike Price:	*[specify or delete if not applicable]*
(xlv) Subscription Notice Date:	*[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*

(xlvi) Fund Event: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if fallbacks are applicable]*

(xlvii) Valuation Date(s): [ ]

(xlviii) Valuation Time: *[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]*

(xlix) Final Calculation Date [*specify*]

(xlixi) Trade Date [*specify*]

(xlixii) AUM Level: [*specify*]

(xlixiii) Other terms /Additional Fund Events / modifications: *[insert any Additional Fund Events /other relevant terms]*

The following provisions at items (i) to (liii) apply to Notes linked to a basket of fund interests only (delete all of these items if not applicable).

(i) Additional Fund Document(s): *[specify or delete if not applicable]*

(ii) Additional Fund Service Provider(s): *[specify or delete if not applicable]*

(vi) Aggregate NAV Trigger Period: *[specify or delete if not applicable]*

(vii) Aggregate NAV Trigger Value: *[specify or delete if not applicable]*

(viii) Automatic Early Redemption: [Applicable][Not Applicable]

[If Applicable:

Automatic Early Redemption Amount: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*

Automatic Early Redemption Date: [ ] Automatic Early Redemption Event: [specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]

Automatic Early Redemption Price: [ ]

Automatic Early Redemption Price: [ ]

Automatic Early Redemption Valuation Date: [ ]

Automatic Early Redemption Valuation Time: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*

(ix) Averaging Date: *[specify or delete if not applicable]*

(x) Basket: A basket composed of Fund Interests in the relative proportions or numbers of Fund Interest Units specified below:

Fund	Fund Interest	Fund Interest Unit (if other than a share)	Proportion / number of Fund Interest Units	ISIN (if any) and Bloomberg page (if any)	Exchange (if any)

(xi) Company:	*[specify or delete if not applicable]*
(xii) Cut-off Period:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xiii) Eligible Fund Interest:	*[specify or delete if not applicable]*
(xiv) ETF and Exchange:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xv) Extraordinary Dividend:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xvi) Final Cut-off Date:	*[specify or delete if not applicable]*
(xvii) Fund Administrator:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xviii) Fund Adviser:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xix) Fund Business Day:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xx) Fund Custodian:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xxi) Fund Interest:	See "Basket" above
(xxii) Fund Interest Performance:	*[specify or delete if not applicable]*
(xxiii) Fund Interest Units:	See "Basket" above
(xxiv) Fund Subscription Date:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xxv) Hedge Fund:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable*
(xxvi) Hypothetical Investor:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable*
(xxvii) Hypothetical Investor Jurisdiction:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable*
(xxviii) Initial Fund Interest Unit Price:	*[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable*
(xxix) Key Personnel:	*[specify or delete if not applicable]*
(xxx) Knock-in Event:	[Applicable][Not Applicable] [If Applicable: Knock-in Determination Day: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]* Knock-in Price: [ ] Knock-in Reference Asset: [*specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not*

	applicable]
	Knock-in Valuation Time: [*specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xxxi) Knock-out Event:	[Applicable][Not Applicable]
	[If Applicable:
	Knock-out Determination Day: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
	Knock-out Price: [ ]
	Knock-out Reference Asset: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
	Knock-out Valuation Time: *[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable]*
(xxxii) Maximum Allocation to Single Hedge Fund Percentage:	[*specify or delete if not applicable*]
(xxxiii) Maximum Borrowing Allocation Percentage:	[*specify or delete if not applicable*]
(xxxiv) Maximum Quarterly Plus Liquidity Allocation Percentage:	[*specify or delete if not applicable*]
(xxxv) Minimum Monthly Liquidity Allocation Percentage:	[*specify or delete if not applicable*]
(xxxvi) Minimum Number of Underlying Hedge Funds:	[*specify or delete if not applicable*]
(xxxvii) Minimum Volatility Percentage:	[*specify or delete if not applicable*]
(xxxviii) NAV Trigger Percentage:	[*specify or delete if not applicable*]
(xxxix) NAV Trigger Period:	[*specify or delete if not applicable*]
(xl) Number of Fund Interest Units:	[*specify method of determination if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable*]
(xli) Protected Amount:	[*specify or delete if not applicable*]
(xlii) Redemption Notice Date:	[*specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable*]
(xliii) Reference Price:	[*specify method of determination if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable*]
(xliv) Relevant Fund Interest Unit Price:	[*specify method of determination if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable*]
(xlv) Scheduled Redemption Payment Date:	[*specify if the fallback provisions in Part 4B of the Terms and*

		Conditions are not applicable, or delete if not applicable]
(xlvi)	Settlement Cycle:	[*specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable*]
(xlvii)	Strike Date:	[*specify or delete if not applicable*]
(xlviii)	Strike Price:	[*specify or delete if not applicable*]
(xlix)	Subscription Notice Date:	[*specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable*]
(l)	Basket Fund Event:	[*specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if fallbacks are applicable*]
(li)	Valuation Date(s):	[ ]
(lii)	Valuation Time:	[*specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not applicable*]
(liii)	Final Calculation Date:	[*specify*]
(liv)	Trade Date:	[*specify*]
(livi)	AUM Level:	[*specify*]
(livii)	Weighting:	The Weighting to be applied to each Fund Interest Unit comprising the Basket is [*specify*]
(liviii)	Other terms / Additional Fund Events /modifications:	[*insert any Additional Fund Events /other relevant terms*]

CREDIT-LINKED NOTE PROVISIONS

38.	**Credit-Linked Note Provisions:**		[Not Applicable/Applicable and Part 5 shall apply] [*specify all the relevant data below and review and amend Part 5as applicable*]
	(i)	Type of Credit-Linked Notes:	**[**Single Reference Entity CLN**]** **[**Nth-to-Default CLN N: **[●]]** **[**Linear Basket CLN**]** **[**Other**]**
		Substitution:	**[**Not Applicable**] [** Applicable**]**
	(ii)	Transaction Type:	**[●]**
	(iii)	Trade Date:	**[●]**
	(iv)	Scheduled Maturity Date:	**[●]**
	(v)	Calculation Agent responsible for making calculation and determinations pursuant to Part 5 (Credit-Linked Conditions):	**[●]**
	(vi)	Reference Entity(ies):	**[●]** **[**Reference Entity Notional Amount **[●]]**
	(vii)	Reference Obligation(s):	

	The obligation identified as follows	
	Primary Obligor:	**[●]**
	Maturity:	**[●**
	Coupon:	**[●]**
	CUSIP/ISIN:	**[●]**
	Original Issue Amount:	**[●]**
(viii)	Settlement method:	**[**Auction Settlement**] [**Cash Settlement**] [**Physical Settlement**]**
(ix)	Fall Back Settlement Method:	**[**Cash Settlement**] [**Physical Settlement**]**
(x)	Settlement Currency:	**[●]**
(xi)	[Credit Event(s):	**[●]**
		[Restructuring: Applicable/Not Applicable]
		[Restructuring Maturity Limitation and Fully Transferable Obligation Applicable]
		[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable]
(xii)	Merger Event:	**[**Credit-Linked Condition 2(c) **[**Applicable/Not Applicable**]]**
		(*If Applicable*):
		[Merger Event Redemption Date: **[●]]**
(xiii)	LPN Reference Entities:	**[**Not Applicable**] [**Applicable**]**
(xiv)	Terms relating to Cash Settlement:	**[**As per the Credit-Linked Conditions**] [**Not Applicable**] [***Specify variations or additions to Credit Linked Conditions***]**
(xv)	Terms relating to Physical Settlement:	**[**As per the Credit-Linked Conditions**] [**Not Applicable**] [**Specify variations or additions to Credit-Linked Conditions**]**
(xvi)	Interest:	
(xvii)	Additional provisions/amendments:	**[**I*nsert relevant details*]

DISTRIBUTION

39.	(i)	If syndicated, names [and addresses]** of Managers [and underwriting commitments]**:	*[Not Applicable/give names [and addresses and underwriting commitments]***] (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 or on a "best efforts" basis if such entities are not the same as the Managers.)**
	(ii)	[Date of [Subscription] Agreement:]**	[ ]**
	(iii)	Stabilising Manager (if any):	[Not Applicable/*give name*]
40.		If non-syndicated, name [and address]** of relevant Dealer:	[*Name [and address]***]
41.		[Total commission and concession:**	[ ] per cent. of the Aggregate Nominal Amount]**

42. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable]
43. Non-Exempt Offer:	[Not Applicable] OR [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] ("**Public Offer Jurisdictions**") during the period from [specify date] until [specify date] **("Offer Period")**. See further Paragraph 10 of Part B below.] OR Not Applicable. The Notes will only be placed with Private Banking clients of Fortis Bank NV/SA that are under discretionary management with Fortis Bank NV/SA.]
44. Additional selling restrictions:	[Not Applicable/give details]
45. Delivery Agent:	[Not Applicable/give details]

[LISTING AND ADMISSION TO TRADING

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdiction and for the Notes described herein to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Regulated Market pursuant to the EUR 30,000,000,000 Euro Medium Term Note Programme of Fortis Bank NV/SA and BNP Paribas Fortis Funding guaranteed by Fortis Bank NV/SA.][1]

RESPONSIBILITY

The Issuer [and the Guarantor][2] accept responsibility for the information contained in these Final Terms.

[[•] has been extracted from [•]. [Each of the/The][*] Issuer [and the Guarantor][3] 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.][4] [5]

Signed on behalf of the Issuer:
By: By:
Director *Director*

[Signed on behalf of the Guarantor:
By:
Duly authorised]†[6]

[1] Only include where the Notes are listed and a Prospectus is required to be published under the Prospectus Directive 2003/71/EC.
[2] Delete where the Issuer is Fortis Bank NV/SA.

[3] Delete in each case as applicable.
[4] Include where any information sourced from a third party has been reproduced, and provide necessary details.
[5] Not required where Notes will not be admitted to trading or a regulated market and/or offered to the public in the European Economic Area.
[6] Delete where the Issuer is Fortis Bank NV/SA.

PART B – OTHER INFORMATION

[A. For Notes which are neither to be admitted to trading on a regulated market nor offered to the public in the European Economic Area only parts 4(ii, and 10(i) – (viii) must be completed, if applicable to the Series or Tranche of Notes.

B. For Notes which are to be admitted to trading or offered to the public in the European Economic Area each of the following parts must be completed, if applicable to the Series or Tranche of Notes.

In the case of both A. and B. above, if the Notes are derivative securities, part 9 should also be completed.]

1. LISTING AND ADMISSION TO TRADING

(i) Listing and admission to trading:	[[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [listing on the official list and to trading on the Luxembourg Stock Exchange/trading on the Luxembourg Regulated Market] with effect from [•].[1] [Not Applicable.] [(*Where documenting a fungible issue need to indicate that original securities are already admitted to trading.*)]
[(ii) Estimates of total expenses related to admission to trading:	[•]][2] [(*Only the estimated costs of listing should be included here*)]

2. [RATINGS

Ratings:	The Notes to be issued have been rated by the following credit rating agencies: [S & P: [•]] [Moody's: [•]] [[Other]: [•]] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*][3] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)][4]
the above mentioned ratings are the credit ratings assigned to the Programme:	[Yes /No]
the above mentioned ratings are specific credit ratings only assigned to this Tranche of Notes:	[Yes /No]

[1] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

[2] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC

[3] Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

[4] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement*:

"*Save as disclosed in "Plan of Distribution", so far as the Issuer [and the Guarantor] [is/are] aware, no person involved in the offer of the Notes has an interest material to the offer*"

(*When adding any other description, 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.*)]][1]

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

[(i) Reasons for the offer	[•] (*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)][2]
(ii) Estimated net proceeds:	[•]. (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
[(iii) Estimated total expenses:	[•]. *[Include breakdown of expenses [3]which are to be borne by the Noteholders]]* *(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses to be borne by the Noteholders at (ii) and (iii) above where disclosure is included at (i) above.)*

5. [*Fixed Rate Notes only* — **YIELD** **(only for Fixed Rate Notes, not relevant for Fixed to Floating Rate Notes or for Fixed to Variable Rate Notes or for variable redemption Notes).**

Indication of yield: [•].

Calculated as [*include details of method of calculation in summary form*] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.][4]

6. [*Floating Rate Notes only* — **HISTORIC INTEREST RATES**][5]

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. [Index-linked or other variable-linked Notes only – **PERFORMANCE OF INDEX/SHARE(S)/FUND**

[1] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

[2] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

[3] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

[4] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC

[5] Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

INTEREST(S)/FORMULA/OTHER VARIABLE,– EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (TO BE INCLUDED FOR DERIVATIVE SECURITIES TO WHICH ANNEX XII TO THE PROSPECTIVE DIRECTIVE REGULATIONS APPLIES)][1]

[Need to include details of where past and future performance and volatility of the index/share(s)/fund interest(s)/formula/other variable can be obtained [and 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]. [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. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

(*When adding any other description, 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.*)]

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] (including information about corporate actions or other events affecting the underlying and adjustments or substitutions to the underlying resulting therefrom), except if required by any applicable laws and regulations].

(i)	[Name of index/share]	[*specify*]
(ii)	[Description of index (if composed by Issuer)/share:]	[*specify*]
(iii)	[Information on index (if not composed by Issuer)/share:]	[*specify*]
(iv)	The underlying is a security/share:	[*name of the issuer of the security/share*] [*ISIN Code or other identification code*]
(v)	The underlying is a basket of underlyings:	[*disclosure of relevant weightings of each underlying in the basket*]
(vi)	Estimated net proceeds:	[•]. (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
(vii)	Estimated total expenses:	[•] [Include breakdown of expenses.] (If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

8. [[*Dual Currency Notes only —* **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]**[2]

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and 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.]

[1] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

[2] Do not include this information if the Notes are unlisted and their placement does not require the publication of a Prospectus pursuant to the Prospectus Directive 2003/71/EC.

(*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.*)]

9. [Derivatives only – OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/[ADMITTED TO TRADING]]

Details of how interest payments, are affected by the value of the underlying instrument(s)[1]:	(*Insert details, in particular describing circumstances where there is a risk that the amount of interest payments may be reduced*.)
Details of how the value of investment is affected by the value of the underlying instrument(s)[2]:	(*Insert details, in particular describing circumstances where there is a risk that the value may be reduced*.)
Details of settlement procedure of derivative securities:	[•]
Details of how any return on derivative securities takes place, payment or delivery date, and manner of calculation:	[•]
Details of any post-issuance information relating to the underlying to be provided and where such information can be obtained:	[•]

10. OPERATIONAL INFORMATION

(i)	ISIN Code:	[•]
(ii)	Common Code:	[•]
(iii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Not Applicable/Yes/No] [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper 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 this text if "Yes" selected in which case the Notes must be issued in NGN form*]
(iv)	X/N Note intended to be held in a manner which would allow Eurosystem eligibility[3]:	[Not Applicable/Yes/No] [Note that the designation "Yes" simply means that the X/N Notes are intended upon issue to be deposited with the National Bank of Belgium and does not necessarily mean that such X/N 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 this text if "Yes" selected*]
(v)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société	[X/N System (*give numbers*)/Not Applicable/*give name(s) and number(s)]*

[1] Only applicable for Notes with a denomination per unit of less than EUR 50 000.
[2] Only applicable for Notes with a denomination per unit of less than EUR 50 000 or which can be acquired for less than EUR 50 000.
[3] Only applicable in relation to X/N Notes issued by Fortis Bank NV/SA

	Anonyme and the relevant identification number(s):	
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(viii)	Name and address of Calculation Agent:	[BNP Paribas Securities Services, Luxembourg Branch/Fortis Bank NV/SA/the Dealer/*any other third party*]
(x)	Total amount of the offer:	[•] [(*If the amount is not fixed, provide a description of the arrangements and time for announcements to the public the amount of the offer*)]
(xi)	An offer to the public:	[An offer to the public will be made in [*specify*] from (and including) [*date*] to (and including) [*date*]/Not Applicable]. [*other details*]

[11. TERMS AND CONDITIONS OF THE OFFER

(i)	Offer Price:	[Issue Price] [*specify*]
(ii)	Conditions to which the offer is subject:	[The Issuer reserves the right to withdraw the present offer, if the minimum amount is not placed or if there are market or other disruptions not enabling a smooth settlement of the Notes, as determined by the Issuer in its sole discretion/*Not Applicable*/[*other*]]
(iii)	Description of the application process:	[Not Applicable/*give details*] (*Specify the manner chosen by the Issuer to publish the Base Prospectus and the Final Terms.*)
(iv)	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/*give details*]
(v)	Details of the minimum and/or maximum amount of application:	[Not Applicable/*give details*]
(vi)	Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/*give details*]
(vii)	Manner in and date on which results of the offer are to be made to the public:	[Not Applicable/*give details*]
(viii)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/*give details*]
(ix)	Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/*give details*]
(x)	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made;	[Not Applicable/*give details*]
(xi)	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/*give details*]

(xii) 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*]][1]

[1] Include this information only where the Notes have a denomination of less than EUR 50,000 and are to be listed and admitted to trading on a Regulated Market and/or offered to the public in one or more countries of the European Economic Area.

GENERAL INFORMATION

1. Application has been made for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing on the official list and to trading on the Luxembourg Regulated Market. The Issuer may also make an application for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system.

The Luxembourg Regulated Market is a regulated market for the purpose of Directive 2004/39/EC on Markets in Financial Instruments.

Notes may be issued pursuant to the Programme which will not be admitted to listing on the official list and to trading on the Luxembourg Regulated Market nor be admitted to listing, trading and/or quotation on any other competent authority, stock exchange and/or quotation system, or which will be admitted to listing, trading and/or quotation on such competent authority, stock exchange or quotation system as the Issuers and the relevant Dealers may agree.

2. This Programme has been rated by Moody's, S&P and Fitch Ratings. Nevertheless not all Notes which may be issued under the Programme will necessarily have the same ratings as the ratings assigned to the Programme, or indeed any ratings at all. The rating assigned to any Tranche of Notes issued under this Programme will be disclosed in the relevant Final Terms together with an indication of whether such ratings are specific to such Tranche of Notes or whether such ratings are the ratings assigned to the Programme.

3. The update of the Programme and the issue of Notes thereunder was authorised by resolutions of the Executive Board of Fortis Bank and the Boards of Directors of BP2F passed on or about 26 May 2011 and on 16 May 2011 (as amended by a resolution dated 9 June 2011), respectively, and the guarantee of the Notes was confirmed and authorised by a resolution of the Executive Board of the Guarantor passed on or about 26 May 2011.

4. Each temporary Global Note, permanent Global Note, Bearer Note, Exchangeable Bearer Note, Coupon and Talon will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 1 65(j) and 1287(a) of the Internal Revenue Code."

5. Bearer Notes, Exchangeable Bearer Notes and Registered Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Notes issued by Fortis Bank have been accepted for clearance through the book entry clearance and settlement system operated by the NBB (the "**X/N System**"). The Common Code given by the X/N System or Euroclear and Clearstream, Luxembourg, as the case may be, together with the relevant ISIN number for each Series of Notes will be set out in the relevant Final Terms.

6. The basis for any statements in this Base Prospectus made by the Issuers regarding their competitive position originate from the Issuers' evaluation of market trends and generally reflect market views.

7. Each set of Final Terms will contain, *inter alia*, the following information in respect of the issue of Notes to which it relates:

(i) Series No.;

(ii) principal amount of the Notes;

(iii) the form of the Notes;

(iv) issue date and interest commencement date;

(v) currency and denomination;

(vi) maturity date/redemption month (if any);

(vii) issue price;

(viii) interest rate, spread, the interest period, any maximum or minimum rate of interest and all other information required to calculate interest amounts (including basis for calculating interest payable on Variable Coupon Amount Notes, if applicable);

(ix) interest payment dates;

(x) basis for calculating redemption amounts payable in respect of Zero Coupon Notes, Variable Redemption Amount Notes, High Interest Notes or Low Interest Notes, if applicable;

(xi) the currencies in which payments will be made in respect of Dual Currency Notes;

(xii) the common code given by Euroclear and Clearstream, Luxembourg and the ISIN number;

(xiii) whether the Notes are redeemable prior to their stated maturity at the option of the Issuer or the Guarantor and/or the Noteholders and the terms relating thereto;

(xiv) the amortisation yield in respect of Zero Coupon Notes;

(xv) whether or not the Notes will be admitted to listing, trading and/or quotation by a competent authority stock exchange, and/or quotation system and, if so, the relevant competent authority, stock exchange and/or quotation system;

(xvi) the name of any Stabilising Manager;

(xvii) the rate of exchange (if any) at which the principal amount of the tranche issued has been converted into U.S. dollars;

(xviii) whether the Guarantee is subordinated or unsubordinated;

(xix) whether the Notes will be Subordinated Notes or not;

(xx) the details of any additional Dealers appointed in respect of any issue of Notes;

(xxi) details of the Calculation Agent, if any;

(xxii) the name of the Principal Paying Agent (if not the Fiscal Agent);

(xxiii) any additional selling restrictions;

(xxiv) the name and specified office of the Paying Agent in France (where applicable);

(xxv) the name of the specialist broker in France (where applicable); and

(xxvi) any other relevant information which is not inconsistent with the Programme or the terms of the Agency Agreement.

Copies of the Final Terms relating to a Series of Notes which is to be admitted to listing on the official list and to trading on the Luxembourg Regulated Market will be made freely available at the office of the Listing Agent in Luxembourg.

8. For so long as the Programme remains in effect or any Notes remain outstanding, the following documents (together, in the case of any document not in the English language, with an English translation thereof) will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection and, in the case of paragraphs (v), (vi), and (vii) below, may be obtained free of charge, at the registered offices of the Issuers and the Guarantor, and at the office of the Fiscal Agent or, in the case of X/N Notes, the Domiciliary Agent and the Paying Agents:

(i) the Agency Agreement (which includes the form of the Global Notes, the Definitive Notes in Bearer and Registered Form, the Guarantees, the Coupons, Receipts and Talons);

(ii) the Programme Agreement;

(iii) the Deed of Covenant;

(iv) the Memorandum and Articles of Association of the Issuers and the Guarantor;

(v) the latest audited annual accounts of the Issuers and the Guarantor, for the years ended 31 December 2009 and 2010 together with any explanatory notes and auditors' or, as the case may be, statutory auditors' report accompanying such accounts. The Guarantor publishes consolidated and non-consolidated accounts;

(vi) the Final Terms relating to any Notes which are admitted to listing on the official list and trading on the Luxembourg Regulated Market and the Final Terms relating to any Notes which are admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system; and

(vii) a copy of this Base Prospectus or any further Base Prospectus together with any supplement thereto.

9. The business address of all members of the Board of Directors of BP2F is c/o Fortis Intertrust (Luxembourg) S.A., 67, Boulevard Grande-Duchesse Charlotte L-1331, Luxembourg, Grand Duchy of Luxembourg. The business address of all members of the Board of Directors of Fortis Bank is Montagne du Parc 3 B-1000 Brussels, Belgium.

10. The financial statements of BP2F for the year ended 31 December 2009 and 2010 have been audited by PricewaterhouseCoopers S.à r.l. respectively as independent auditor (réviseur d'entreprises) and as approved statutory auditor (réviseur d'entreprises agréé) whose registered office is 400, Route d'Esch, L-1471 Luxembourg, who is a member of the Institut des Réviseurs d'Entreprises.

The reports by PricewaterhouseCoopers S.à r.l. relating to the cash flow statements of BP2F for the years ended 31 December 2009 and 31 December 2010 have been audited by PricewaterhouseCoopers S.à r.l. respectively as independent auditor (réviseur d'entreprises) and as approved statutory auditor (réviseur d'entreprises agréé) whose registered office is 400, Route d'Esch, L-1471 Luxembourg, who is a member of the Institut des Réviseurs d'Entreprises.

The financial statements for the year ending 31 December 2009 of Fortis Bank have been audited by PricewaterhouseCoopers Reviseurs d'Entreprises S.C.C.R.L., represented by Josy Steenwinckel and Roland Jeanquart, Partners, Woluwedal 18, B 1932 Sint-Stevens Woluwe, Brussels, and Deloitte Reviseurs d'Entreprises S.C.R.L., represented by Philip Maeyaert and Frank Verhaegen, Partners, Berkenlaan 8b, B 1831 Diegem, in accordance with the laws of Belgium. An unqualified opinion on the consolidated financial statements with an explanatory paragraph, except for the comparative figures which are subject to a qualified opinion, has been issued on 29 March 2010. All are members of the Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises.

The financial statements for the year ending 31 December 2010 of Fortis Bank have been audited by PwC Reviseurs d'Entreprises S.C.C.R.L., represented by Roland Jeanquart, Partner, or Josy Steenwinckel, Partner, Woluwedal 18, B 1932 Sint-Stevens Woluwe, Brussels, and Deloitte Reviseurs d'Entreprises S.C.R.L., represented by Philip Maeyaert and Frank Verhaegen, Partners, Berkenlaan 8b, B 1831 Diegem, in accordance with the laws of Belgium. An unqualified opinion on the consolidated financial statements with an explanatory paragraph has been issued on 29 March 2011. All are members of the Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises.

11. This Base Prospectus (or any future Base Prospectus) together with any supplement thereto, the documents incorporated by reference herein and the final terms of any tranches issued under this Prospectus and admitted to listing on the official list and to trading on the Luxembourg Regulated Market, will be available on the website of the Luxembourg Stock Exchange, www.bourse.lu (in the case of Notes listed on the Official List and admitted to trading on the Luxembourg Regulated Market).

12. Each of the Issuers do not intend to provide post-issuance information in relation to the underlying assets under paragraph 7.5 of Annex XII of Regulation (EC) No. 809/2004, except as otherwise stated in the relevant Final Terms.

13. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking Luxembourg, 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of the National Bank of Belgium as operator of the X/N System is Boulevard de Berlaimont 14, 1000 Bruxelles, Belgium.

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Réviseur d'Entreprises sc sous forme d'une scrl

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