

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 2008 and 31 December 2009. 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 44. 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 "Forms of Final Terms" on page 297 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 12 as well as the selling restrictions as set out in the section entitled "Plan of Distribution" on page 286.**

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 IBCA. 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. Application may also be made to the Swiss Exchange ("SIX") to approve this document as a Swiss listing prospectus and for Notes issued under the Programme to be admitted to listing and/or trading on SIX. 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.

The CSSF has been requested to provide the Belgian Banking Finance and Insurance Commission (*Commission bancaire, financière et des assurances*, the "CBFA") and the Italian *Commissione Nazionale per le Società e la Borsa* ("CONSOB") (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 286.

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 and/or (ii) Nederlands Centraal Instituut voor Giraal Effectenverkeer BV (“**Euroclear Nederland**”). 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 242.

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 2010.

*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 2010 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](http://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.fortisbank.com](http://www.fortisbank.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 44 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 286 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.

Fortis Bank is regulated by the Banking, Finance and Insurance Commission (CBFA).

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 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 33,900 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, i.e. Turkey and Poland, 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 Investments, Fortis Bank's asset manager, has merged with BNP Paribas' Investment Solutions and has a global presence, with sales offices and dedicated investment centres in Europe, the US and Asia.

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 65, 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 12 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) Economic conditions have adversely affected Fortis Bank's industry and Fortis Bank's results could in the future have a material adverse effect on Fortis Bank's liquidity, earnings and financial condition.
- (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 economic 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.

### *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) Economic conditions have adversely affected Fortis Bank's industry and Fortis Bank's results and could in the future have a material adverse effect on the Fortis Bank's liquidity, earnings and financial condition.***

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). Since mid-2007, adverse changes in market and economic conditions have created, and could continue to create, a challenging operating environment for financial institutions. Actual (or potential) adverse changes have resulted (and could result), in particular, from deteriorations in credit and sovereign debt market conditions, regional or global recessions, fluctuations in commodity prices (including oil), increases or decreases in interest rates, inflation or deflation, and adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts).

Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors reduced or ceased providing funding to borrowers, including to other financial institutions. This market turmoil and tightening of credit conditions have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility and reduction of business activity generally. The resulting economic pressure on

consumers and lack of confidence in the financial markets has adversely affected the results of operations and financial condition of financial institutions globally.

A continuation or worsening of adverse market and economic conditions could exacerbate their effects on financial institutions generally and Fortis Bank in particular. In addition to the risks discussed elsewhere in this section, Fortis Bank could face the following risks in connection with these events:

- market developments and adverse economic conditions may continue to affect consumer confidence levels and cause changes in payment patterns, causing in turn increases in delinquencies and default rates, which would increase Fortis Bank's cost of risk. These developments and conditions could lead to a continued increase in the rate of defaults by corporate borrowers, which constitute a substantial portion of Fortis Bank's borrower base, and continued reduction in the credit-worthiness of, or an increase in demand for credit by, corporate borrowers;
- Fortis Bank's ability to issue debt on the market, to borrow from other financial institutions or to engage in securitization funding transactions on favorable terms, or at all, could be adversely affected by further disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations; and
- equity markets in Belgium, in Europe and elsewhere may continue to decline or experience continued high or even increased volatility, which could lead to further trading and investment losses or a further decline in capital markets transactions, cash inflows and commissions from asset management.

***(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’s 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.

***(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, litigation may adversely affect Fortis Bank's business, financial condition and results of operations.

In particular, several shareholders of Fortis SA/NV and Fortis N.V. have initiated proceedings in Belgium, The Netherlands and the United States against, amongst others, Fortis Bank SA/NV in connection with the restructuring of Fortis end September and beginning October 2008.

***(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 will be complex, expensive and present a number of challenges for the management of Fortis Bank and BNP Paribas, its staff and potentially its customers. 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 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.

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.

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.

#### **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.

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 or by Euroclear Nederland, 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 with Euroclear Nederland 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, Euroclear Nederland 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. Notes which are represented by one or more Global Notes deposited with Euroclear Nederland will be transferable only in accordance with the rules and procedures for the time being of Euroclear Nederland.

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 or through Euroclear Nederland, 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, Euroclear Nederland 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 such Underlying during the term of any Note.

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; and
- a significant market disruption could mean that any Underlying ceases to exist.

*(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, 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 than 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 seasonality 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, the risk of such loss being increased if the Fund-Linked Notes are redeemed prior to the Maturity Date as a result of the occurrence of a Type 2 Fund Event.

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 if the relevant Fund Event is a Type 1 Fund Event. However investors should note that if the relevant Fund Event is a Type 2 Fund Event the Redemption Amount they receive may be considerably less than the amount which is principal protected at scheduled maturity 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 and, in particular, if the Fund-Linked Notes are principal protected, the division of the Fund Events between Type 1 Fund Events and Type 2 Fund Events.

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 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 Credit-Linked Notes are linked to a notional structured credit default swap transaction and in particular to the occurrence of one or more Credit Events (as further described in the Final Terms and the Notional Credit Default Swap) with respect to a portfolio of companies comprising Reference Entities (the “**Reference Portfolio**”) under the Notional Credit Default Swap. 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 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.

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) 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 similar to the Notional 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 in respect of the Notes and the Notional Credit Default Swap, 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 and the Notional Credit Default Swap, 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 affect the outstanding notional amount under any Notional Credit Default Swap. Consequently, this valuation 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.

*(vii) 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.

*(viii) 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 Notional Credit Default Swap) 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.

## INFORMATION INCORPORATED BY REFERENCE

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

1. 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 the Fortis Bank Pages 283-286
2. The 2008 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 2008 pages 36-37
  - (b) the audited consolidated cash flow statement of Fortis Bank for the financial year ended 31 December 2008 page 39-40
  - (c) the notes to the consolidated balance sheet and income statement for the financial year ended 31 December 2008 pages 151-226
  - (d) the unqualified statutory auditor's report of the joint statutory auditors on the consolidated financial statements for the year ended 31 December 2008 submitted to the General Shareholder's Meeting of the Fortis Bank pages 261-264
3. 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
4. The 2008 audited annual financial statements of BP2F, including, among other things:
  - (a) the balance sheet and the profit and loss account pages 1-2
  - (b) the notes to the company accounts pages 3-7
  - (c) the unqualified auditor's report to the audited annual financial statements for the financial year ended 31 December 2008 the pages appended before page 1
5. The cash flow statements of BP2F for the years ended 31 December 2009 and 31 December 2008;
6. The report by KPMG Audit S.à r.l. relating to the cash flow statement of BP2F for the year ended 31 December 2008;
7. The report by PricewaterhouseCoopers S.à r.l. relating to the cash flow statement of BP2F for the year ended 31 December 2009;
8. 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**");

9. 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**”);
10. 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**”);
11. 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**”);
12. 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**”);
13. 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
14. 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**”).

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](http://www.bourse.lu)) (in the case of Notes admitted to the Official List and admitted to trading on the Luxembourg Regulated Market) and available from the registered office of the Belgian Listing Agent (in the case of Notes admitted to listing and trading of the Dutch Regulated Market) and available from the registered office of Fortis Bank NV/SA (in the case of Notes admitted to listing and trading on the Belgian 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.

<b>Issuers:</b>	Fortis Bank and BP2F.
<b>Guarantor:</b>	Fortis Bank (in respect of Notes issued by BP2F).
<b>Description:</b>	Euro Medium Term Note Programme.
<b>Guarantee:</b>	Each of the Notes issued by BP2F have the benefit of a guarantee (the "Guarantee") from the Guarantor.
<b>Arranger:</b>	Fortis Bank NV/SA.
<b>Dealer:</b>	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.
<b>Fiscal Agent and Principal Paying Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Domiciliary Agent:</b>	Fortis Bank NV/SA.
<b>Alternative Principal Paying Agent:</b>	Fortis Bank NV/SA.
<b>Paying Agents:</b>	Fortis Bank NV/SA, Fortis Bank (Nederland) N.V. and Citibank, N.A.
	It is expected that on 1 July 2010, subject to the fulfillment of the applicable conditions precedent, including but not limited to the timely receipt of relevant legal and regulatory approvals, the businesses of ABN AMRO Bank and Fortis Bank (Nederland) N.V. will be integrated pursuant to a legal merger, following which ABN AMRO Bank will be the surviving entity and Fortis Bank (Nederland) N.V. will be the non-surviving entity. As a result of the legal merger, ABN AMRO Bank will assume all of the rights and obligations of Fortis Bank (Nederland) N.V. by operation of law under universal title.
<b>Luxembourg Listing Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Final Terms or Drawdown Prospectus:</b>	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 " <b>Drawdown Prospectus</b> ") as more fully described in the section entitled " <i>Final Terms and Drawdown Prospectuses</i> ".
<b>Terms and Conditions:</b>	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 " <i>Terms and Conditions of the Notes</i> " 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:**

Payments of principal or of interest in respect of Credit-Linked Notes will be calculated by reference to a notional credit default swap transaction and in particular to the occurrence of one or more Credit Events (as specified in the Final Terms and the Notional Credit Default Swap) with respect to a portfolio of entities comprising the reference entities under the Notional Credit Default Swap, as the Issuer and the relevant Dealer may agree.

**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 insolvency, merger, nationalisation, 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, modifications to documents or investment objectives/strategies, breach or non-compliance with investment objectives/strategies and/or changes in service providers and, in addition, in the case of hedge funds or funds of hedge funds, events such as the breach of any specified investment, volatility and borrowing limits or thresholds) 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. 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 (i) a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or (ii) Euroclear Nederland 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 Euroclear Nederland 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 (other than a Permanent Global Note deposited with Euroclear Nederland) 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 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 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 Euroclear Nederland 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 and/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.

Application may also be made to Euronext Amsterdam N.V. for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext, which is the regulated market of Euronext Amsterdam N.V.

Application may also be made to Euronext Brussels for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing and trading on Euronext Brussels, which is the regulated market of Euronext Brussels.

Application may also be made to the SIX to approve this document as a Swiss listing prospectus and for Notes issued under the Programme to be admitted to listing and/or trading on SIX.

Application may also be made to Euronext Paris S.A. (“**Euronext Paris**”) for Notes issued under the Programme to be admitted to listing and trading on the respective regulated markets of Eurolist by Euronext Paris in France.

**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 2010.

The Notes are issued pursuant to an Amended and Restated Agency Agreement dated 17 June 2010 (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*”), Fortis Bank (Nederland) N.V. and Citibank, N.A. as paying agents (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 agents (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 2010 (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 Notes held by Euroclear Nederland, deliveries will be made in accordance with the Securities Giro Transfer Act (*Wet giraal effectenverkeer*, the “**Wge**”) (as amended). 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. Any holders mentioned above include those having a credit balance in the collective deposits held by Euroclear Nederland or one of its participants.

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 Principal Amount Outstanding from 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, if, as of an Interest Payment Date, the conditions to establishing a Credit Derivatives Determinations Committee to determine the occurrence of a Credit Event have been met, payment of interest to the Noteholders shall be suspended until and including the date that is three (3) Business Days following the date (if any) on which the Credit Derivatives Determinations Committee determines that no Credit Event has occurred or resolves not to make a determination.

If the Credit Derivatives Determinations Committee determines that a Credit Event has occurred, interest shall cease to accrue on the Event Determination Date in respect of such Credit Event and no further payment of interest shall occur.

For the purposes of this Condition 4(a), "**Credit Derivatives Determinations Committee**", "**Credit Event**" and "**Event Determination Date**" shall have the meanings given to them in Part 5A, Part 5B, Part 5C or Part 5D of these Conditions, as applicable.

##### (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 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 “sub-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.

“**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<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; 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<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> 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 the Interest Commencement Date and ending on the first Interest Period Date and each successive period beginning on an Interest Period Date and ending on 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 Principal Amount Outstanding 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;
- (vii) First to default credit-linked with auction settlement, Part 5A shall apply;
- (viii) First to default credit-linked with physical settlement, Part 5B shall apply;
- (ix) First to default credit-linked with cash settlement, Part 5C shall apply; and
- (x) Cash settled or auction settled credit-linked with a static portfolio of reference entities as underlying, Part 5D shall apply;

Where the Credit-Linked Notes contain a Notional Credit Default Swap, the relevant standard terms in Part 5E shall apply to such notional credit default confirmation.

With respect to any Credit-Linked Notes, where the Conditions to Settlement have not been satisfied on or prior to the Maturity Date, the Repudiation/Moratorium Evaluation Date (if applicable) or the Grace Period Extension Date (if applicable), as the case may be, but the conditions to establishing a Credit Derivatives Determinations Committee to determine the occurrence of a Credit Event have been met and such Credit Derivatives Determinations Committee has not publicly announced its resolution, the Calculation Agent may, on behalf of the Issuer, notify the Noteholders in accordance with Condition 13 that the Maturity Date

has been postponed to the date that is 15 Business Days after the date on which the Credit Derivatives Determinations Committee publicly announces its resolution (the "Extended Maturity Date").

- (i) If the Credit Derivatives Determinations Committee determines that a Credit Event has occurred, each Credit-Linked Note shall be redeemed in accordance with Part 5A, Part 5B, Part 5C and Part 5D (as applicable) on the Extended Maturity Date.
- (ii) If the Credit Derivatives Determinations Committee determines that no Credit Event has occurred or resolves not to make a determination, each Credit-Linked Notes shall be redeemed, in accordance with this Condition 5(a), at the Principal Amount Outstanding plus any interest payments suspended in accordance with Condition 4(a) on the Extended Maturity Date.

For the purposes of this Condition 6(a), "**Credit Derivatives Determinations Committee**", "**Credit Event**", "**Repudiation/Moratorium Evaluation Date**" and "**Grace Period Extension Date**" shall have the meanings given to them in Part 5A, Part 5B, Part 5C or Part 5D as applicable.

*(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 Principal Amount Outstanding 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) 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) and Euroclear Nederland.

*(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) 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 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 Belgian Banking, Finance and Insurance Commission (*Commissie voor Bank-, Financie- en Assurantiewezen/Commission bancaire, financière et des assurances*).

(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 4A, 4B or 4C as applicable).

## 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, Euronext Brussels or SIX 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, Amsterdam, Brussels or in Switzerland (respectively) 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, Euronext Brussels or SIX a Paying Agent having a specified office in Luxembourg, Amsterdam, Brussels or in Switzerland (respectively) 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 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), 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](http://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 Fortis Bank, London Branch, Aldermanbury Square, London EC2V 7HR 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:

$$\text{Fractional Cash Amount} = (\text{Final Share Price} \times \text{Fractional Amount}).$$

**“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.fortisbanking.be](http://www.fortisbanking.be) (select “Save and Invest” then “Bonds”) or through the clearing systems (in this case, for any offer to the public 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.fortisbanking.be](http://www.fortisbanking.be) (select “Save and Invest” then “Bonds”) or through the clearing systems (in this case, for any offer to the public 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 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).

**“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 any Type 1 Fund Event and/or any Type 2 Fund Event.

**“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”** has the meaning given in the definition of **“Type 1 Fund Event”** below.

**“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) a Protected Amount is specified in the applicable Final Terms and (b) any Fund Event which has resulted in the redemption of the Note prior to its scheduled maturity is a Type 1

Fund Event, 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.

**“Type 1 Fund Event”** means, subject as otherwise provided in the applicable Final Terms, the occurrence of any of the following events in the determination of the Calculation Agent:

- (a) *Nationalisation*: in respect of a Fund Interest and the related Fund, all the Fund Interests or all or substantially all the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) *Insolvency Event*: in respect of a Fund Interest and the related Fund (i) the Fund, the related Company and/or any Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(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 organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (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 clause (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 dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all

or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (A) through (E) above; or (without prejudice to the foregoing) (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring them;

- (c) *NAV Trigger/Restriction Event*: in respect of the Fund Interest, (A) the Reported Fund Interest Unit Value has decreased by a percentage equal to, or greater than, the NAV Trigger Percentage(s) during the related NAV Trigger Period, each as specified in the applicable Final Terms; or (B) the related Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (d) *Changes to Fund or Fund Service Providers*: in respect of the Fund Interest and the related Fund: (i) any change in the organisation of the Fund or of any Fund Service Provider without the prior written consent of the Calculation Agent including, without limitation, a change of control of, or a change of the main shareholders, managing directors or Key Personnel (if any) of a Fund Service Provider, (ii) any Fund Service Provider ceasing to act in the relevant capacity in relation to the Fund unless immediately replaced in such capacity by a successor acceptable to the Calculation Agent or (iii) any delegation or transfer by the Fund Adviser of any of its powers, duties or obligations under the Fund Documents to a third party without the prior written consent of the Calculation Agent;
- (e) *Fund Modification*: in respect of the Fund Interest, any change or modification of the related Fund Documents or of any rights attaching to the related Fund Interest Units (including without limitation any change or modification affecting management policy, provisions as to redemption or the charging of expenses or increasing the existing level of, or introducing any new, fees, commissions or other expenses payable to any person, in each case as determined by the Calculation Agent) from those prevailing on the Issue Date and which could reasonably be expected to affect the value of the Fund Interest;
- (f) *Strategy Breach*: in respect of the Fund Interest, as determined by the Calculation Agent, any material breach of or non-compliance with any investment objective, investment restrictions or other strategy or investment guidelines, subscription and redemption provisions (including, without limitation, the days treated as Fund Business Days) or valuation provisions (including, without limitation, the method of determining the net asset value of the relevant Fund), in each case as set out in the Fund Documents as in effect on the Issue Date;
- (g) *Breach by Fund Service Provider*: in respect of the Fund Interest, the breach by any relevant Fund Service Provider of any obligation (including, without limitation, non-compliance with any investment guidelines relating to the Fund Interest), representation or warranties concerning the relevant Fund (including, without limitation, pursuant to any agreement with the Fund), which breach, if capable of remedy, has not been remedied within ten (10) calendar days of its occurrence;
- (h) *Type 1 Regulatory Event*: (A) in respect of the Fund Interest, (1) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the Fund Interest or on any investor therein (as determined by the Calculation Agent) or (2) the related Fund or any of its Fund Service Providers becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law in relation to any activities relating to or resulting from the operation of such Fund or (B) any event which would have the effect of: (i) imposing on the Issuer and/or any Affiliate or adversely modifying any reserve, special deposit, or similar requirement that would be applicable to the Issuer and/or such Affiliate in relation to the Notes or any related hedging arrangement or (ii) changing the amount of regulatory capital that would have to be maintained by the Issuer and/or any Affiliate in relation to the Notes or any related hedging arrangement;
- (i) *Reporting Disruption*: in respect of the Fund Interest, (A) the occurrence of any event affecting the Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the Fund Interest, and such event continues for at least the time period specified in the applicable

Final Terms or, if no time period is so specified, the Calculation Agent does not expect such event to cease in the foreseeable future; (B) any failure of the related Fund to deliver, or cause to be delivered, (1) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or the Issuer, as applicable, or (2) information that has been previously delivered to the Calculation Agent or the Issuer, as applicable, in accordance with such Fund's, or its authorized representative's, normal practice and that the Calculation Agent deems necessary for it or the Issuer, 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; or (C) the related Fund ceases, for any reason whatsoever (either directly or through any Fund Service Provider acting on its behalf for this purpose) to provide, publish or make available its net asset value on any Fund Reporting Date and this continues for 10 consecutive Currency Business Days;

- (j) *Compulsory Redemption or Assignment*: in respect of the Fund Interest, (i) the repurchase or redemption by the Fund of all or some of the Fund Interest Units otherwise than at the request of a holder of Fund Interest Units and which the Calculation Agent determines could affect a Hypothetical Investor; or (ii) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Fund) which would mandatorily oblige a holder of Fund Interest Units to redeem, sell, assign or otherwise dispose of any Fund Interest Units and which the Calculation Agent determines could affect a Hypothetical Investor;
- (k) *Closure to Subscriptions; Dealing Restrictions*: in respect of the Fund Interest, (A) the closure of the related Fund to new subscriptions of Fund Interests, or (B) the imposition of any dealing restrictions (including, without limitation, material amendments to relevant documentation, delay (partial or otherwise), suspension or termination (partial or otherwise) of subscription, redemption or settlement) relating to the Fund or transactions in Fund Interests by any Fund Service Provider, any affiliate or agent of any Fund Service Provider, or any intermediary platform through which the Issuer or its affiliates may contract (via a trading agreement or otherwise) in order to carry out transactions in Fund Interests, which, in either case, remains in effect for five consecutive Currency Business Days;
- (l) *Disposals: Material Change; Merger*: in respect of the Fund Interest, (A) a disposal to any person(s) of all, or a material part, of the assets of (x) the related Fund, or (y) any significant Fund Service Provider; or (B) a material change in the business of the Fund or any significant Fund Service Provider, or (C) the merger, amalgamation or consolidation of (1) the related Fund with (x) any other sub-fund or compartment of the Fund or (y) any other collective investment undertaking (or sub-fund or compartment of such other collective investment undertaking, including another Fund), or (2) the relevant Company with any other collective investment undertaking (including, without limitation, another Fund or Company), which, in either case, may, in the determination of the Calculation Agent, have an adverse effect on the Fund;
- (m) *Hedging Disruption*: any of the following:
  - (i) the Calculation Agent reasonably determines that 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**") such Hedging Party deems necessary or appropriate to hedge 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) realise, recover or remit to any person the proceeds of such transaction or asset; and/or
  - (ii) the Calculation Agent reasonably determines that it has become illegal for any Hedging Party to hold, acquire or dispose of Fund Interests relating to the Notes; and/or
  - (iii) the Calculation Agent reasonably determines that 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
  - (iv) the Calculation Agent reasonably determines that 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) realize, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Hedging Party,

and such determinations by the Calculation Agent may include, but are not limited to, the following: (A) any increased illiquidity in the market for the Fund Interest (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;

- (o) *Type 1 Hedge Fund Event*: any Type 1 Hedge Fund Event; or
- (p) *Additional Type 1 Fund Event*: any other event(s) specified as Type 1 Fund Events in the applicable Final Terms.

**“Type 1 Hedge Fund Event”** means, in respect of the Fund Interest if the related Fund is a Hedge Fund, subject as otherwise provided in the applicable Final Terms, the occurrence of any of the following in the determination of the Calculation Agent:

- (a) if a Minimum Number of Underlying Hedge Funds is specified in the applicable Final Terms, the number of underlying hedge funds in which such Fund has invested is less than the Minimum Number of Underlying Hedge Funds;
- (b) if a Minimum Volatility Percentage is specified in the applicable Final Terms, the volatility of such Fund (calculated by the Calculation Agent by taking the root mean square deviation of the price per relevant Fund Interest Unit observed monthly over a rolling year from the arithmetic average mean of such values) is greater than the Minimum Volatility Percentage;
- (c) if a Maximum Allocation to Single Hedge Fund Percentage is specified in the applicable Final Terms, the greatest percentage allocation of the amount of the net assets under management of the Fund which are invested in hedge funds to a single fund is greater than the Maximum Allocation to Single Hedge Fund Percentage;
- (d) if a Minimum Monthly Liquidity Allocation Percentage is specified in the applicable Final Terms, the percentage allocation of the amount of the net assets under management of the Fund to hedge funds which provide investors with the right to redeem at least once a month and on not more than 45 days' prior notice is less than the Minimum Monthly Liquidity Allocation Percentage;
- (e) if a Maximum Quarterly Plus Liquidity Allocation Percentage is specified in the applicable Final Terms, the percentage allocation of the amount of the net assets under management of the Fund to hedge funds which provide investors with the right to redeem no more frequently than quarterly and on not more than 90 days' prior notice is greater than the Maximum Quarterly Plus Liquidity Allocation Percentage;
- (f) if a Maximum Borrowing Allocation Percentage is specified in the applicable Final Terms, the aggregate amount of the obligations of such Fund for the payment or repayment of borrowed money as a percentage of the aggregate net asset value per Fund Unit of all the outstanding Fund Interest Units exceeds the Maximum Borrowing Allocation Percentage (any amounts expressed in a currency other than the currency of the net assets under management, for the purposes of this provision, being converted into such latter currency at a rate determined by the Calculation Agent in its discretion);
- (g) the financial condition of any of the Fund Service Providers has, in the determination of the Calculation Agent, materially deteriorated;
- (h) any audit report issued by the auditors of the Fund after the Issue Date relating to the accounts of the Fund contains any qualification by the auditors of their opinion;
- (i) following the creation of a new class of shares in the Fund, the Calculation Agent, taking into consideration without limitation the potential cross-liability between classes of shares, determines that such new class of shares has or may have an adverse effect on the value of Fund Interest Units and/or the rights of the holders of Fund Interest Units;
- (j) some or all of any Fund Interest Units are or would (in the determination of the Calculation Agent) be redeemed (or partially redeemed) by the Fund by the distribution of non-cash assets;

- (k) the failure of the Fund or the relevant Service Provider, following a subscription request from any person for Fund Interest Units, to register such Fund Interest Units in the name of such person within such period after the date on which, in the determination of the Calculation Agent, such registration would ordinarily be expected to occur in accordance with the provisions of the Fund Documents as the Calculation Agent may determine, and which the Calculation Agent determines could affect a Hypothetical Investor.

**“Type 2 Fund Event”** means any of the following:

- (a) *Fraud*: in respect of the Fund Interest and the related Fund, the Fund is the object of a material fraud which may, in the determination of the Calculation Agent, have an adverse effect on the Fund or the value of Fund Interest Units; or any act or omission of a Fund Service Provider constitutes fraud (including, but not limited to, theft, misappropriation, mispricing of holdings or concealment of trades), bad faith, wilful misconduct or negligence, as determined by the Calculation Agent in its reasonable discretion;
- (b) *Type 2 Regulatory Event*: in respect of the Fund Interest and the related Fund (i) the cancellation, suspension or revocation of the registration or approval of the Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over the Fund Interest or Fund or (ii) the withdrawal, suspension, cancellation or modification of any license, consent, permit, authorisation or clearance required for the Fund or any one or more of its significant Fund Service Providers to carry out their activities as they are or should be carried out in compliance with applicable law or regulation;
- (c) *Force Majeure Event*: in respect of the Fund Interest and the related Fund, any Fund Service Provider fails to perform any of its obligations pursuant to the Fund Documents to the extent that such performance is prevented, hindered or delayed by a Force Majeure Event, where **“Force Majeure Event”** means any event due to any cause beyond the reasonable control of the applicable Fund Service Provider, such as unavailability of communications system, failure of or interruptions in power supply or network computer systems, sabotage, fire, flood, explosion, acts of God, civil commotion, riots, insurrection or war; or
- (d) *Additional Type 2 Fund Event(s)*: any other event specified as a Type 2 Fund Event 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 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.

**“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 (*Fund Events*) as set out below.

**“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 any Type 1 Fund Event and/or any Type 2 Fund Event.

**“Fund Event Notice”** has the meaning given to that term in paragraph 5 (*Fund Events*) as set out 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 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”** has the meaning given in the definition of “Type 1 Fund Event” below.

**“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) a Protected Amount is specified in the applicable Final Terms and (b) any Fund Event which has resulted in the redemption of the Note prior to its scheduled maturity is a Type 1 Fund Event, 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 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.

“**Type 1 Fund Event**” means, subject as otherwise provided in the applicable Final Terms, the occurrence of any of the following events in the determination of the Calculation Agent:

- (a) *Nationalisation*: in respect of a Fund Interest and the related Fund, all the Fund Interests or all or substantially all the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) *Insolvency Event*: in respect of a Fund Interest and the related Fund (i) the Fund, the related Company and/or any Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(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 organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (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 clause (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 dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (A) through (E) above; or (without prejudice to the foregoing) (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring them;
- (c) *NAV Trigger/Restriction Event*: in respect of any Fund Interest, (A) the Reported Fund Interest Unit Value has decreased by a percentage equal to, or greater than, the NAV Trigger Percentage(s) during the related NAV Trigger Period, each as specified in the applicable Final Terms; or (B) the related Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (d) *Aggregate NAV Trigger Event*: the aggregate of the Reported Fund Interest Unit Values for each Fund Interest comprising the Basket has decreased to an amount equal to, or less than, the Aggregate NAV Trigger Value during the related Aggregate NAV Trigger Period, each as specified in the applicable Final Terms;
- (e) *Changes to Fund or Fund Service Providers*: in respect of any Fund Interest and the related Fund: (i) any change in the organisation of the Fund or of any Fund Service Provider without the prior written consent of the Calculation Agent including, without limitation, a change of control of, or a change of the main shareholders, managing directors or Key Personnel (if any) of a Fund Service Provider, (ii) any Fund Service Provider ceasing to act in the relevant capacity in relation to the Fund unless immediately replaced in such capacity by a successor acceptable to the Calculation Agent or

- (iii) any delegation or transfer by the Fund Adviser of any of its powers, duties or obligations under the Fund Documents to a third party without the prior written consent of the Calculation Agent;
- (f) *Fund Modification*: in respect of any Fund Interest, any change or modification of the related Fund Documents or of any rights attaching to the related Fund Interest Units (including without limitation any change or modification affecting management policy, provisions as to redemption or the charging of expenses or increasing the existing level of, or introducing any new, fees, commissions or other expenses payable to any person, in each case as determined by the Calculation Agent) from those prevailing on the date on which any Fund Interest issued by such Fund was first included in the Basket and which could reasonably be expected to affect the value of such Fund Interest;
- (g) *Strategy Breach*: in respect of any Fund Interest, as determined by the Calculation Agent, any material breach of or non-compliance with any investment objective, investment restrictions or other strategy or investment guidelines, subscription and redemption provisions (including, without limitation, the days treated as Fund Business Days) or valuation provisions (including, without limitation, the method of determining the net asset value of the relevant Fund), in each case as set out in the Fund Documents as in effect on the Issue Date or, if later, the date on which such Fund Interest was first included in the Basket;
- (h) *Breach by Fund Service Provider*: in respect of any Fund Interest, the breach by any relevant Fund Service Provider of any obligation (including, without limitation, non-compliance with any investment guidelines relating to such Fund Interest), representation or warranties concerning the relevant Fund (including, without limitation, pursuant to any agreement with the Fund), which breach, if capable of remedy, has not been remedied within ten (10) calendar days of its occurrence;
- (i) *Type 1 Regulatory Event*: (A) in respect of any Fund Interest, (1) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein (as determined by the Calculation Agent) or (2) the related Fund or any of its Fund Service Providers becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law in relation to any activities relating to or resulting from the operation of such Fund or (B) any event which would have the effect of: (i) imposing on the Issuer and/or any Affiliate or adversely modifying any reserve, special deposit, or similar requirement that would be applicable to the Issuer and/or such Affiliate in relation to the Notes or any related hedging arrangement or (ii) changing the amount of regulatory capital that would have to be maintained by the Issuer and/or any Affiliate in relation to the Notes or any related hedging arrangement;
- (j) *Reporting Disruption*: in respect of any Fund Interest, (A) the occurrence of any event affecting such Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest, and such event continues for at least the time period specified in the applicable Final Terms or, if no time period is so specified, the Calculation Agent does not expect such event to cease in the foreseeable future; (B) any failure of the related Fund to deliver, or cause to be delivered, (1) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or the Issuer, as applicable, or (2) information that has been previously delivered to the Calculation Agent or the Issuer, as applicable, in accordance with such Fund's, or its authorized representative's, normal practice and that the Calculation Agent deems necessary for it or the Issuer, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests; or (C) the related Fund ceases, for any reason whatsoever (either directly or through any Fund Service Provider acting on its behalf for this purpose) to provide, publish or make available its net asset value on any Fund Reporting Date and this continues for 10 consecutive Currency Business Days;
- (k) *Compulsory Redemption or Assignment*: in respect of any Fund Interest, (i) the repurchase or redemption by the Fund of all or some of the Fund Interest Units otherwise than at the request of a holder of Fund Interest Units and which the Calculation Agent determines could affect a Hypothetical Investor; or (ii) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Fund) which would mandatorily oblige a holder of Fund Interest Units to redeem, sell, assign or otherwise dispose of any Fund Interest Units and which the Calculation Agent determines could affect a Hypothetical Investor;
- (l) *Closure to Subscriptions; Dealing Restrictions*: in respect of any Fund Interest, (A) the closure of the related Fund to new subscriptions of Fund Interests, or (B) the imposition of any dealing restrictions (including, without limitation, material amendments to relevant documentation, delay (partial or otherwise), suspension or termination (partial or otherwise) of subscription, redemption or settlement) relating to the Fund or transactions in Fund Interests by any Fund Service Provider, any affiliate or agent of any Fund Service Provider, or any intermediary platform through which the Issuer or its

affiliates may contract (via a trading agreement or otherwise) in order to carry out transactions in Fund Interests, which, in either case, remains in effect for five consecutive Currency Business Days;

(m) *Disposals: Material Change: Merger*: in respect of any Fund Interest, (A) a disposal to any person(s) of all, or a material part, of the assets of (x) the related Fund, or (y) any significant Fund Service Provider; or (B) a material change in the business of the Fund or any significant Fund Service Provider, or (C) the merger, amalgamation or consolidation of (1) the related Fund with (x) any other sub-fund or compartment of the Fund or (y) any other collective investment undertaking (or sub-fund or compartment of such other collective investment undertaking, including another Fund), or (2) the relevant Company with any other collective investment undertaking (including, without limitation, another Fund or Company), which, in either case, may, in the determination of the Calculation Agent, have an adverse effect on the Fund;

(n) *Hedging Disruption*: any of the following:

- (i) the Calculation Agent reasonably determines that 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**”) such Hedging Party 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
- (ii) the Calculation Agent reasonably determines that it has become illegal for any Hedging Party to hold, acquire or dispose of Fund Interests relating to the Notes; and/or
- (iii) the Calculation Agent reasonably determines that 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
- (iv) the Calculation Agent reasonably determines that 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) realize, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Hedging Party,

and such determinations by the Calculation Agent may include, but are not limited to, the following: (A) any increased illiquidity in the market for any Fund Interests comprising the Basket (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;

(o) *Type 1 Hedge Fund Event*: any Type 1 Hedge Fund Event; or

(p) *Additional Type 1 Fund Event*: any other event(s) specified as Type 1 Fund Events in the applicable Final Terms.

“**Type 1 Hedge Fund Event**” means, in respect of any Fund Interest whose related Fund is a Hedge Fund, subject as otherwise provided in the applicable Final Terms, the occurrence of any of the following in the determination of the Calculation Agent:

- (a) if a Minimum Number of Underlying Hedge Funds is specified in the applicable Final Terms, the number of underlying hedge funds in which such Fund has invested is less than the Minimum Number of Underlying Hedge Funds;
- (b) if a Minimum Volatility Percentage is specified in the applicable Final Terms, the volatility of such Fund (calculated by the Calculation Agent by taking the root mean square deviation of the price per relevant Fund Interest Unit observed monthly over a rolling year from the arithmetic average mean of such values) is greater than the Minimum Volatility Percentage;

- (c) if a Maximum Allocation to Single Hedge Fund Percentage is specified in the applicable Final Terms, the greatest percentage allocation of the amount of the net assets under management of the Fund which are invested in hedge funds to a single fund is greater than the Maximum Allocation to Single Hedge Fund Percentage;
- (d) If a Minimum Monthly Liquidity Allocation Percentage is specified in the applicable Final Terms, the percentage allocation of the amount of the net assets under management of the Fund to hedge funds which provide investors with the right to redeem at least once a month and on not more than 45 days' prior notice is less than the Minimum Monthly Liquidity Allocation Percentage;
- (e) if a Maximum Quarterly Plus Liquidity Allocation Percentage is specified in the applicable Final Terms, the percentage allocation of the amount of the net assets under management of the Fund to hedge funds which provide investors with the right to redeem no more frequently than quarterly and on not more than 90 days' prior notice is greater than the Maximum Quarterly Plus Liquidity Allocation Percentage;
- (f) if a Maximum Borrowing Allocation Percentage is specified in the applicable Final Terms, the aggregate amount of the obligations of such Fund for the payment or repayment of borrowed money as a percentage of the aggregate net asset value per Fund Unit of all the outstanding Fund Interest Units exceeds the Maximum Borrowing Allocation Percentage (any amounts expressed in a currency other than the currency of the net assets under management, for the purposes of this provision, being converted into such latter currency at a rate determined by the Calculation Agent in its discretion);
- (g) the financial condition of any of the Fund Service Providers has, in the determination of the Calculation Agent, materially deteriorated;
- (h) any audit report issued by the auditors of the Fund after the Issue Date relating to the accounts of the Fund contains any qualification by the auditors of their opinion;
- (i) following the creation of a new class of shares in the Fund, the Calculation Agent, taking into consideration without limitation the potential cross-liability between classes of shares, determines that such new class of shares has or may have an adverse effect on the value of Fund Interest Units and/or the rights of the holders of Fund Interest Units;
- (j) some or all of any Fund Interest Units are or would (in the determination of the Calculation Agent) be redeemed (or partially redeemed) by the Fund by the distribution of non-cash assets;
- (k) the failure of the Fund or the relevant Service Provider, following a subscription request from any person for Fund Interest Units, to register such Fund Interest Units in the name of such person within such period after the date on which, in the determination of the Calculation Agent, such registration would ordinarily be expected to occur in accordance with the provisions of the Fund Documents as the Calculation Agent may determine, and which the Calculation Agent determines could affect a Hypothetical Investor.

**“Type 2 Fund Event”** means any of the following:

- (a) *Fraud*: in respect of any Fund Interest and the related Fund, the Fund is the object of a material fraud which may, in the determination of the Calculation Agent, have an adverse effect on the Fund or the value of Fund Interest Units; or any act or omission of a Fund Service Provider constitutes fraud (including, but not limited to, theft, misappropriation, mispricing of holdings or concealment of trades), bad faith, wilful misconduct or negligence, as determined by the Calculation Agent in its reasonable discretion;
- (b) *Type 2 Regulatory Event*: in respect of any Fund Interest and the related Fund (i) the cancellation, suspension or revocation of the registration or approval of such Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund or (ii) the withdrawal, suspension, cancellation or modification of any license, consent, permit, authorisation or clearance required for the Fund or any one or more of its significant Fund Service Providers to carry out their activities as they are or should be carried out in compliance with applicable law or regulation;

(c) *Force Majeure Event*: in respect of any Fund Interest and the related Fund, any Fund Service Provider fails to perform any of its obligations pursuant to the Fund Documents to the extent that such performance is prevented, hindered or delayed by a Force Majeure Event, where “**Force Majeure Event**” means any event due to any cause beyond the reasonable control of the applicable Fund Service Provider, such as unavailability of communications system, failure of or interruptions in power supply or network computer systems, sabotage, fire, flood, explosion, acts of God, civil commotion, riots, insurrection or war; or

(d) *Additional Type 2 Fund Event(s)*: any other event specified as a Type 2 Fund Event 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 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. 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 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 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 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 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 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 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 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

### PART 5A: FIRST-TO-DEFAULT CREDIT-LINKED NOTES WITH AUCTION SETTLEMENT

The terms and conditions applicable to First-to-Default Credit-Linked Notes with auction settlement 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 “**FTD Auction 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 FTD Auction Conditions set out below, the FTD Auction Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the FTD Auction Conditions and (ii) the Final Terms, the Final Terms shall prevail.

#### FTD Auction Conditions

The following amendments shall be made to the Principal Conditions if this Part 5A is stated to be applicable in the relevant Final Terms:

##### *A. Redemption in whole or in part upon the occurrence of a Credit Event*

Condition 5(k) shall be deleted in its entirety and replaced with the following:

"(i) Subject to Condition 5(k)(iv) below, if a Credit Event has occurred and if the Conditions to Settlement are satisfied in the Notice Delivery Period with respect to the Notional Credit Default Swap (or all Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event), each Credit-Linked Note will be redeemed by the relevant Issuer on the Auction Settlement Date at an amount equal to the aggregate Auction Redemption Amounts in respect of all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Credit-Linked Notes, rounded in accordance with Condition 15 (*Rounding*) of the Principal Conditions.

(ii) Subject to Condition 5(k)(iv) below, where there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event where either (x) "Restructuring Maturity Limited and Fully Transferable Obligation Applicable" or (y) "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" applies, if a Credit Event has occurred and if the Conditions to Settlement are satisfied in the Notice Delivery Period with respect to one or more of such Notional Credit Default Swaps but not all of them, each Credit-Linked Note will be redeemed by the relevant Issuer on the Auction Settlement Date at an amount equal to the aggregate Auction Redemption Amounts for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Credit-Linked Notes, rounded in accordance with Condition 15 (*Rounding*) of the Principal Conditions. Following such partial redemption, 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 that the aggregate Principal Amount Outstanding of the Credit-Linked Notes shall be the Remaining Amount.

(iii) If at any time from the occurrence of an Event Determination Date but prior to the Calculation Date in respect of a Credit Event, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve matters described in the Credit Event Resolution Notice are satisfied in accordance with the Rules, the redemption of the Credit-Linked Notes in accordance with this Condition 5(k) shall be suspended until such time that ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in the Credit Event Resolution Notice or (b) not to determine such matters (the "**Public Announcement**"). During this suspension period, the relevant Issuer shall not have any obligation to take any action to redeem the Credit-Linked Notes. Once ISDA has made the Public Announcement, the redemption of the Credit-Linked Notes pursuant to this Condition 5(k) shall resume on the Business Day following the date of such Public Announcement.

(iv) Without prejudice to sub-paragraphs (i) and (ii) above, if (A) an Auction Cancellation Date occurs, (B) a No Auction Announcement Date occurs and the Calculation Agent has not delivered a Notice to Exercise Movement Option pursuant to Condition 5(k)(v) below, (C) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event, (D) an Event Determination Date has occurred, and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date or (E) an Event Determination Date was determined pursuant to paragraph (b)(ii)(B) of the definition of "Event Determination Date" (as amended by CDS Confirmation 1), the Credit-Linked

Notes shall be redeemed in accordance with the Fallback Settlement Method specified in the applicable Final Terms and Auction Settlement shall not apply to the redemption of the Credit-Linked Notes.

(a) If "Cash Settlement" is specified in the applicable Final Terms as the Fallback Settlement Method, the FTD Cash Conditions shall apply to any redemption in accordance with this Condition 5(k)(iv).

(b) If "Physical Settlement" is specified in the applicable Final Terms as the Fallback Settlement Method, the FTD Physical Conditions shall apply to any redemption in accordance with this Condition 5(k)(iv).

(v) If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and the Calculation Agent determines in respect of a Partial Exercise Event that a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition of "No Auction Announcement Date", the Calculation Agent may elect, in its sole and absolute discretion (including with reference to any hedging transactions entered into by the relevant Issuer in respect of the Credit-Linked Notes), to deliver a Notice to Exercise Movement Option to the relevant Issuer at any time on or prior to the Movement Option Cut-off Date. If a Notice to Exercise Movement Option is so delivered, then the Credit-Linked Notes shall be redeemed on the Auction Settlement Date at their Auction Redemption Amount, for which purposes the Auction Settlement Date and the Auction Settlement Amount shall be determined by reference to the relevant Parallel Auction identified by the Calculation Agent in the Notice to Exercise Movement Option in accordance with the definition of "Movement Option". If a Notice to Exercise Movement Option is delivered by the Calculation Agent, all references in these FTD Auction Conditions to "Auction", "Auction Settlement Terms", "Auction Cancellation Date", "Auction Final Price Determination Date" and "Auction Settlement Date" shall be deemed to be references to the "Parallel Auction", "Parallel Auction Settlement Terms", "Parallel Auction Cancellation Date", "Parallel Auction Final Price Determination Date" and "Parallel Auction Settlement Date" and the terms of these FTD Auction Conditions shall be construed accordingly.

(vi) Payment by the relevant Issuer of amounts pursuant to Condition 5(k)(i) or Condition 5(k)(ii) (as the case may be) to the Noteholders shall discharge all of the relevant Issuer's obligations to the Noteholders in respect of the Redemption Portion of the Credit-Linked Notes.

For the purposes of this Condition 5(k):

**"Auction Redemption Amount"** means an amount calculated by the Calculation Agent on the Auction Final Price Determination Date in respect of each Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied in accordance with the following formula:

$$A = B - C + D$$

where:

A means the Auction Redemption Amount;

B means the Floating Rate Payer Calculation Amount of the relevant Notional Credit Default Swap.

C means the Auction Settlement Amount calculated in respect of the relevant Notional Credit Default Swap; and

D means the Accruals calculated in respect of the relevant Notional Credit Default Swap.

**"Auction Settlement Amount"** means an amount calculated on the Auction Final Price Determination Date by the Calculation Agent equal to the greater of (a)(i) the Floating Rate Payer Calculation Amount multiplied by (ii) an amount, expressed as a percentage, equal to (A) the Reference Price minus (B) the Auction Final Price and (b) zero.

**"Unwind Amount"** means an amount as reasonably determined by the Calculation Agent in its sole discretion, on the Auction Final Price Determination Date representing any reasonable expenses and costs to the relevant Issuer, the Guarantor and/or any affiliate of the relevant Issuer or Guarantor of unwinding any underlying and/or related hedging and/or funding arrangements (including, but not limited to, taking into consideration the obligation of the relevant Issuer to make payments of interest under the Credit-Linked Notes and the cost to the relevant Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the

Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the Auction Final Price Determination Date).

**“Accruals”** means an amount of interest determined on the Auction Final Price Determination Date by the Calculation Agent in respect of the relevant Notional Credit Default Swap by multiplying the product of the Notional Amount of such Notional Credit Default Swap less the Auction Settlement Amount determined thereunder and the Accrual Interest Rate by the number of days in the period from, and excluding the Event Determination Date to, but including, the Auction Final Price Determination Date divided by 360.

**“Remaining Amount”** means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have not been satisfied on or prior to such date.

The **“Accrual Interest Rate”** shall be calculated by the Calculation Agent as if ISDA Determination had been elected for the purposes of paragraph 16 of the applicable Final Terms, where the Floating Rate Option was EUR-EONIA-OIS-COMPOUND, the Designated Maturity, the Calculation Period was the period from, and excluding, the relevant Event Determination Date to, but including, the Termination Date and the Reset Date was the relevant Event Determination Date.

**“Notional Amount”** means, on any date, the Floating Rate Payer Calculation Amount, as determined in accordance with the relevant Notional Credit Default Swap.

**“Redemption Portion”** means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have been satisfied on or prior to such date

Terms not otherwise defined shall have the meaning given to them in CDS Confirmation 1, incorporated into these FTD Auction Conditions"

#### *B. Overpayments*

A new Condition 5(l) shall be added as follows:

"If at any time payments of interest or principal are paid to Noteholders in circumstances where such amounts (i) should not have been paid pursuant to the Conditions, the FTD Auction Conditions and the applicable Final Terms and (ii) was paid as a result of the relevant Issuer not having notified the Fiscal Agent in sufficient time that such payments were not to be made (an **“Overpayment”**), then any subsequent amounts due to Noteholders shall be reduced to account for such Overpayment (plus any accrued interest thereon) as determined by the Calculation Agent in its sole discretion."

#### *C. Modifications to the Credit-Linked Conditions*

The following shall be added as a new Condition 5(m):

"If the relevant Issuer adheres to any protocol published by ISDA after the Issue Date that set out alternative settlement or valuation methods in relation to a Reference Entity (a **“Protocol”**) then the Calculation Agent may make any adjustments to the FTD Cash Conditions, FTD Physical Conditions, FTD Auction Conditions and/or the CLN Tranche Conditions (including to any notional credit default swaps incorporated therein) as it deems appropriate to reflect some or all of the relevant settlement, valuation and other provisions of such Protocol. These may include, without limitation, adjustments in relation to the determination of any Cash Settlement Amount or any Final Price or determining that Cash Settlement rather than Physical Settlement shall apply and vice versa. Nothing in this Condition 5(m) shall be taken as requiring the relevant Issuer to follow the terms of any Protocol"

#### *D. No redemption for taxation reasons*

The following text shall be added to Condition 5(b) under the paragraph beginning "If, as a result of any amendment to":

"Notwithstanding the above, Condition 5(b) shall not apply to any Credit-Linked Note. The relevant Issuer will not pay any additional amount in the event of any amendment to or any changes in taxation law ."

#### *E. Calculation of Redemption Amount on an Event of Default on Credit-Linked Notes*

The following text shall be inserted below sub-paragraph (ii) of the definition of "Permitted Reorganisation" in Condition 9(a):

"For the purposes of this Condition 9(a) and any Credit-Linked Note, "**Redemption Amount**" means an amount determined by the Calculation Agent in its sole and absolute discretion to be the fair market value of the Credit-Linked Note immediately prior to the occurrence of an Event of Default, less any reasonable expenses and costs to the relevant Issuer, the Guarantor and/or any affiliate of the relevant Issuer or Guarantor of unwinding any underlying and/or related hedging and/or funding arrangements (including, but not limited to, taking into consideration the obligation of the relevant Issuer to make payments of interest under the Credit-Linked Notes and the cost to the relevant Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the date on which the Credit-Linked Notes are to be redeemed as a result of such Event of Default). This Redemption Amount may be less than the Specified Denomination of each Credit-Linked Note.

For the purpose of this Condition 9(a), the Calculation Agent shall act as an independent expert and not as an agent for the relevant Issuer or the Noteholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the relevant Issuer, the Agents and the Noteholders. The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith."

If Part 5A is shown as being applicable in paragraph 38 the relevant Final Terms, then the FTD Auction Conditions will incorporate the notional credit default swap confirmation 1 mentioned below ("**CDS Confirmation 1**"). The relevant amounts, dates, terms and information of the CDS Confirmation 1 will be completed in the relevant Final Terms.

#### **CDS Confirmation 1**

The purpose of this confirmation and any schedules hereto (this "**Confirmation**") is to confirm the terms and conditions of a notional credit default swap deemed to be entered into between two notional counterparties ("**Seller**" and "**Buyer**") on the Trade Date specified below and is not an actual transaction (the "**Notional Credit Default Swap**") for the purposes of which the Issuer shall be deemed to be the Buyer. One or more new notional credit default swaps (each a "**Notional Credit Default Swap**") will be deemed entered on the occurrence of a Succession Event or a Partial Exercise Event, as defined in this Confirmation. Each such Notional Credit Default Swap shall be governed by a separate Confirmation, and the terms of this Confirmation shall apply to each such Notional Credit Default Swap separately as set out herein.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the following supplements (i) the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions; (ii) the March 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions; (iii) the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions; and (iv) as further supplemented, should at any time the Calculation Agent consider such to be applicable, by the Additional Provisions for Physically Settled Default Swaps — Monoline Insurer as Reference Entity, published on 21 January 2005 (the Monoline Supplement), (together, the "**Credit Derivatives Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

The purpose of this Confirmation is to set out the mechanics under which:

- (i) it is determined that the Conditions to Settlement are satisfied with respect to any Notional Credit Default Swap and, if satisfied, whether such satisfaction of the Conditions to Settlement could lead to a Partial Exercise Event and the consequences thereof;
- (ii) the date on which the Conditions to Settlement are satisfied and the Event Determination Date with respect to any Notional Credit Default Swap are determined;

(iii) the Auction Settlement Amount with respect to each Notional Credit Default Swap in respect of which the Conditions to Settlement are satisfied, is determined; and

(iv) the occurrence of a Succession Event or Partial Exercise Event with respect to any Notional Credit Default Swap shall be determined, whereby:

(I) in the case of a Succession Event:

- a. the aggregate of the Floating Rate Payer Calculation Amounts of all new Notional Credit Default Swap(s) deemed in accordance with section 5 hereunder shall be equal to the Floating Rate Payer Calculation Amount of the relevant Notional Credit Default Swap to which such Succession Event relates,
- b. the Reference Entities with respect to each new Notional Credit Default Swap shall be determined in accordance with the provisions described in section 5 hereunder; and
- c. the relevant Notional Credit Default Swap to which the Succession Event relates shall cease to be in force; and,

(II) in the case of a Partial Exercise Event, the Floating Rate Payer Calculation Amount of the relevant Notional Credit Default Swap to which such Partial Exercise Event shall be equal reduced by an amount equal to the Exercise Amount specified in relation to such Partial Exercise Event (the "**Relevant Exercise Amount**") and a new Notional Credit Default Swap deemed accordance with section 6 hereunder, having a Floating Rate Payer Calculation Amount equal to the Relevant Exercise Amount, shall be settled in accordance with the terms of such new Notional Credit Default Swap.

### ***Notional Credit Default Swap***

For the avoidance of doubt, each Notional Credit Default Swap which is deemed to be entered into in accordance with the terms of a Confirmation shall at all times be deemed to be a Notional Credit Default Swap in relation to the Credit-Linked Notes.

The Settlement Terms shall apply solely to one Reference Entity, which shall be the first Reference Entity with respect to which an Event Determination Date occurs or, if an Event Determination Date occurs in respect of more than one Reference Entity on the same day, the Reference Entity in respect of which the Credit Event Notice and the Notice of Publicly Available Information was first delivered on such day (such entity, the "**Affected Reference Entity**"). This limitation shall apply to each Notional Credit Default Swap separately if more than one Notional Credit Default Swap arises pursuant to Sections 2.2 or 3.9 of the Credit Derivatives Definitions, as defined in this Confirmation.

Fortis Bank NV/SA, as calculation agent in respect of the Credit-Linked Notes, will act as Calculation Agent in respect of the Notional Credit Default Swap and will make any calculations or determinations, exercise any discretion or take any other action that would be required or permitted to be made or taken by the Calculation Agent pursuant to the relevant Notional Credit Default Swap as if that Notional Credit Default Swap were actually in existence and any such determination or calculation that it makes, and any other action that it takes, each in accordance with the terms set out therein, shall be deemed to have been duly made or taken pursuant to the Notional Credit Default Swap.

For the avoidance of doubt, any calculations or determinations made, or any other action taken by the Calculation Agent in respect of the Notional Credit Default Swap shall be subject to Section 1.14 of the Credit Derivatives Definitions. Any requirement for the Calculation Agent to consult with any of the parties shall be deemed not to apply.

The terms of the original Notional Credit Default Swap are as follows:

#### **1. General Terms:**

Trade Date:

[•].

Effective Date:

[•].

Termination Date:

The date which is the later of (i) the Auction Settlement Date and (ii) the Extension Date.

Scheduled Termination Date:

Scheduled Maturity Date in respect of the Credit-Linked Notes

Calculation Agent:	Fortis Bank NV/SA.
Calculation Agent City:	Brussels.
Business Days for all purposes other than the calculation and payment of the Interest Amounts and Calculation Agent City Business Day:	In respect of a Reference Entity, the Business Days specified in the Applicable Standard Terms (each such day being a “Transaction Day”). For all other purposes and unless otherwise provided for herein, [•].
Business Day Convention:	Following (which, subject to Sections 1.4 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).
Reference Entity:	<p>The Reference Entities are composed of:</p> <p>(a) the following Reference Entities (which will be considered to be European Reference Entities):</p> <p>[•]</p> <p>(b) the following Reference Entities (which will be considered to be US Reference Entities):</p> <p>[•]</p> <p>(c) the following Reference Entities (which will be considered to be Asian Entities):</p> <p>[•]</p> <p>(d) the following Reference Entities (which will be considered to be Japanese Entities):</p> <p>[•]</p> <p>(e) the following Reference Entities (which will be considered to be Australian Entities):</p> <p>[•]</p> <p>(f) the following Reference Entities (which will be considered to be New Zealand Entities):</p> <p>[•]</p> <p>(g) the following Reference Entities (which will be considered to be Singapore Entities):</p> <p>[•]</p> <p>(h) the following Reference Entities (which will be considered to be Subordinated European Insurance Entities)</p> <p>[•]</p> <p>(i) the following Reference Entities (which will be considered to be Latin American Entities):</p> <p>[•]</p> <p>(j) the following Reference Entities (which will be considered to be Asian Sovereigns Entities):</p> <p>[•]</p> <p>(k) the following Reference Entities (which will be considered to be European Emerging Markets and Middle Eastern Sovereigns Entities):</p>

[•]

(l) the following Reference Entities (which will be considered to be Japanese Sovereigns Entities):

[•]

(m) the following Reference Entities (which will be considered to be Australian Sovereigns Entities):

[•]

(n) the following Reference Entities (which will be considered to be New Zealand Sovereigns Entities):

[•]

(o) the following Reference Entities (which will be considered to be Singapore Sovereigns Entities):

[•]

(p) the following Reference Entities (which will be considered to be Latin American Sovereigns Entities):

[•]

(q) the following Reference Entities (which will be considered to be Western European Sovereigns Entities):

[•]

Each such European Reference Entity, US Reference Entity, Asian Reference Entity, Japanese Reference Entity, Australian Reference Entity, New Zealand Reference Entities, Singapore Reference Entity, Subordinated European Insurance Entity, Latin American Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular “Entity Type” in Schedule A. References in this Confirmation to “Standard Terms” means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.

Reference Price:

[•] per cent.

Reference Obligation(s):

The obligation(s) if any identified as such in respect of a Reference Entity in Schedule A. The parties agree that such obligation may be used as, *inter alia*, an Obligation or Valuation Obligation in respect of the relevant Reference Entity notwithstanding that the Primary Obligor of such obligation may not be the same entity as the applicable Reference Entity.

Substitution:

[Applicable] /[Not applicable].

All Guarantees:

In respect of a Reference Entity, “Applicable” or “Not Applicable” shall apply as specified in the applicable Standard Terms.

Credit Events:

In respect of a Reference Entity, the Credit Events specified in the applicable Standard Terms.

Obligation(s):	In respect of an Affected Reference Entity, the applicable obligations thereof shall be determined in accordance with Section 2.14 of the Credit Derivatives Definitions on the basis of the Obligation Category and the Obligation Characteristic(s) specified in the applicable Standard Terms.
Excluded Obligation(s):	None.
Condition to Settlement:	<p>Credit Event Notice</p> <p>Notifying Party: Buyer.</p> <p>Notice of Publicly Available Information: Applicable.</p> <p>The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the "<b>Affected Reference Entity</b>" as defined in the Preamble).</p>
Event Determination Date	<p>Section 1.8(ii) of the Credit Derivatives Definitions shall be amended by replacing:</p> <ol style="list-style-type: none"> <li>1. the reference to "Buyer or Seller" in sub-paragraph (A)(I)(1) with a reference to "Buyer";</li> <li>2. the reference to "Buyer" or "Seller" in sub-paragraph(A)(II)(1) with a reference to "Buyer";</li> <li>3. the reference to "Buyer or Seller" in sub-paragraph(B)(I)(1) with a reference to "Buyer"; and</li> <li>4. the reference to "Buyer" or "Seller" in sub-paragraph(B)(II)(1) with a reference to "Buyer".</li> </ol>
Notice Delivery Period	[Section 1.9 of the Credit Derivatives Definitions shall be deleted and replaced by the following:  "Notice Delivery Period" means the period from and including the Effective Date and including the Scheduled Termination Date"]
Exercise Amount	<p>Where an Event Determination Date occurs and Restructuring is the only Credit Event specified in the Credit Event Notice, the Exercise Amount shall mean the amount specified by the Notifying Party in accordance with Section 3.9 of the Credit Derivatives Definitions and the provisions contained in this Confirmation</p> <p>With respect to (a) any Credit Event other than Restructuring or (b) any Credit Event in respect of any Reference Entity to which Section 3.9 of the Credit Derivatives Definitions shall not apply as stated in the applicable Standard Terms, the Exercise Amount shall be equal to the Floating Rate Payer Calculation Amount (and not a portion thereof).</p>

## **2. Fixed Payments:**

Not Applicable.

## **3. Floating Payments:**

Floating Rate Payer

Floating Rate Payer Calculation Amount:

[Seller]

With respect to any day, [•], as adjusted, from time to time, in accordance with Section 2.2 and Section 3.9 of Credit Derivatives Definitions and with section 5 and 6 of this Confirmation.

**4. Settlement Terms:**

Settlement Method:

Auction Settlement.

Settlement Currency:

[•]

Fallback Settlement Method:

[Cash Settlement] / [Physical Settlement]

**B. Terms relating to Cash Settlement:**

Condition to Settlement:

Credit Event Notice

Notifying Party: Buyer.

Notice of Publicly Available Information: Applicable.

The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the “**Affected Reference Entity**” as defined in the Preamble).

Valuation Business Day:

A day on which commercial banks and foreign exchange markets are generally open to settle payments in [•] is open for business.

Cash Settlement Amount:

An amount calculated on the Calculation Date by the Calculation Agent equal to the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio. Although a Cash Settlement Amount will be calculated, no party shall be obliged to make any payment or delivery in respect thereof.

Cash Settlement Date:

3 Business Days after the Calculation Date.

Valuation Date:

Multiple Valuation Dates: the First Valuation Date shall be the 60th Valuation Business Day following the Event Determination Date. Thereafter, there shall be two further Valuation Dates, each commencing on the 5th Valuation Business Day immediately following a quotation being obtained or be deemed to be obtained in respect of the immediately preceding Valuation Date.

In respect of any Valuation Date, on or about 11.00 a.m. in the Quotation City applicable to the relevant Valuation Obligation, except that, if such Valuation Time is earlier than 9 am (Brussels time), it shall be postponed to 9 am Brussels time and if such Valuation Time is later than 4 pm (Brussels time), it shall be advanced to 4 pm (Brussels time).

Quotation City:

Means the city as reasonably determined by the Calculation Agent as being the city where the principal trading market is located for the relevant Valuation Obligations which form part of the Valuation Portfolio. For the avoidance of doubt, the Quotation City need not be the city located in the country of incorporation of the Reference Entity. The Calculation Agent will notify the Buyer and the Seller of the Quotation City five Valuation Business Days prior to the first Valuation Date.

Quotation Method:

Bid

Determination of Quotations:

Section 7.7 (a) and (b) of the Credit Derivatives Definitions shall be deleted and replaced with the following:

“(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day within

three Valuation Business Days of a Valuation Date, the Calculation Agent shall attempt to obtain Full Quotations from five Dealers up to, and including, the earlier of the tenth Valuation Business Day following the relevant Valuation Date and the Valuation Business Day on which a Full Quotation and a Weighted Average Quotation or two Full Quotations were obtained on such Valuation Business Day

(b) If the Calculation Agent is unable to obtain (i) at least two Full Quotations or (ii) one or more Full Quotation and a Weighted Average Quotations on the same Valuation Business Day on or prior to the tenth Valuation Business Day following the applicable Valuation Date, then the Calculation Agent shall attempt to obtain at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation from the eleventh Valuation Business Day following the relevant Valuation Date to, and including, the earlier of the fifteenth Valuation Business Day following the relevant Valuation Date and Valuation Business Day on which it obtains such a Full Quotation, Weighted Average Quotation or Partial Weighted Average Quotation

If the Calculation Agent is unable to obtain on the same Valuation Business Day at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation by the fifteenth Valuation Business Day following the relevant Valuation Date, the Calculation Agent will exercise its reasonable discretion into determining a Quotation which shall apply to such Valuation Date, acting in good faith and in a commercially reasonable manner.

If, on or prior to the tenth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains on the same Valuation Business Day, at least two Full Quotations, or one or more Full Quotation and a Weighted Average Quotations, such Full Quotations or such Full Quotations and such Weighted Average Quotation shall be considered as Quotations.

If, after the tenth Valuation Business Day following the applicable Valuation Date, but on or prior to the fifteenth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least one Full Quotation or a Weighted Average Quotation or a Partial Weighted Average Quotation, such Full Quotations or such Weighted Average Quotation or such Partial Weighted Average Quotation shall be considered as a Quotation."

Quotations:

Exclude Accrued Interest

Dealers:

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, each Dealer shall be a dealer, or a principal affiliate thereof, in obligations of the type of the Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, or in single name credit derivative transactions referencing the relevant Reference Entity, as identified by its Identification Number and its legal name, selected by the Calculation Agent from the following list, together with any additional dealers or principal affiliates thereof that the parties may from time to time agree in relation to a particular Valuation Obligation: *[Dealers to be confirmed]*

Bank of Montreal, London Branch

Barclays Bank PLC

Citibank International plc

Merrill Lynch International

HSBC Bank USA N.A., New York Branch (*where the reference entity is a U.S. company*)

HSBC Bank plc (*where the reference entity is not a U.S. company*)

Bank of America Derivatives

Goldman Sachs International

Deutsche Bank AG, London Branch

Morgan Stanley Credit Products

Credit Suisse International

UBS Limited

The Royal Bank of Scotland plc

Nordea Bank Danmark AS

IXIS Corporate and Investment Bank

Crédit Agricole Corporate and Investment Bank

WestLB AG

J.P. Morgan Chase Bank N.A. (*where the reference entity is a U.S. company*)

J.P. Morgan Chase Bank N.A., London Branch (*where the reference entity is not a U.S. company*)

Société Générale

BNP Paribas, London Branch

Commerzbank AG

ABN AMRO Bank N.V., London Branch

Bayerische Hypo-und Vereinsbank AG

CIBC World Markets plc

**provided that** if one of the Dealers from the above list ceases or has ceased to exist or ceases to be an active Dealer in obligations of the type for which Quotations are to be obtained or a bankruptcy occurs with respect to any Dealer then the Calculation Agent shall select a substitute Dealer (who is a dealer in obligations of the type for which Quotations are to be obtained) and notify the Buyer and the Seller of such selection. A substitute Dealer must meet the requirements set out in the first sentence of the definition of "Dealer" set out in Section 7.15 of the Credit Derivatives Definitions and shall not be an Affiliate of the Buyer. A Dealer selected by the Calculation Agent from the list above shall not be affiliated with any other Dealer selected by the Calculation Agent from the list above. The above list is not exhaustive and may be amended in the relevant Final Terms

Quotation Amount:

With respect to any Valuation Obligation, one third of the related Valuation Obligation Balance, rounded up to the nearest denomination of the relevant Valuation Obligation.

Calculation Date:

The Valuation Business Day on which the last Final Price is determined in respect of all Valuation Obligation(s) in the Valuation Portfolio.

Valuation Obligation Loss Amount:

Means, with respect to a Valuation Obligation in respect of which a Final Price has been calculated, the greater of:

- 1 (Reference Price - Final Price) multiplied by the relevant Valuation Obligation Balance (converted if necessary to the Settlement Currency using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner); and
- 2 zero

Final Price:

With respect to each Valuation Obligation in the Valuation Portfolio, the price of such Valuation Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method.

Valuation Portfolio:

Means a portfolio of one or more Valuation Obligations in respect of which the sum of the related Valuation Obligation Balances (converted if necessary to the Settlement Currency using the exchange rate determined on the Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner) is equal to the Floating Rate Payer Calculation Amount and selected by the Calculation Agent on or before the day that falls 5 Valuation Business Days prior to the first Valuation Date (the date on which such notification occurs, the "**Notification Date**"). The Calculation Agent may amend the Valuation Portfolio at any point up to, and including, the fifth Valuation Business Day prior to the first Valuation Date.

Valuation Obligation Balance:

With respect to a Valuation Obligation, an amount in the currency of denomination of that Valuation Obligation (the "**Valuation Obligation Currency**") specified as such by the Calculation Agent to the Noteholders on the Notification Date (determined by the Calculation Agent on the Notification Date acting in good faith and in a commercially reasonable manner).

Valuation Method:

Average Highest

Weighted Average Quotation:

In accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an outstanding balance of as large a size as available but less than the Quotation Amount that in the aggregate are equal to or greater than the Quotation Amount.

Partial Weighted Average Quotation:

In accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation of as large a size as available but with an outstanding principal balance less than the Quotation Amount. If the sum of outstanding principal balance (as the case may be) with respect to which such quotations are obtained is less than the Quotation Amount, then the quotations with respect to such shortfall shall be deemed to be a firm quotation of zero.

Valuation Obligations:

In respect of an Affected Reference Entity, a valuation obligation determined in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Valuation Obligation Category and Valuation Obligation Characteristics specified in the applicable Standard Terms.

## C Terms relating to Physical Settlement:

*The Terms relating to Physical Settlement in this section 4C shall only apply where the Fallback Settlement Method is applicable and "Physical Settlement" is stated to apply.*

Conditions to Settlement:

Credit Event Notice

Notifying Party: The Buyer.

Notice of Physical Settlement.

Notice of Publicly Available Information: Applicable.

The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the "**Affected Reference Entity**" as defined in the Preamble).

Physical Settlement Amount:

The Floating Rate Payer Calculation Amount multiplied by the Reference Price.

Physical Settlement Period:

The Physical Settlement Period identified in the applicable Standard Terms for the Affected Reference Entity.

Deliverable Obligations:

"Exclude Accrued Interest" or "Include Accrued Interest" shall apply as specified in the applicable Standard Terms for the Affected Reference Entity.

In respect of an Affected Reference Entity, in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Deliverable Obligation Category and Deliverable Obligation Characteristic(s) specified in the applicable Standard Terms.

Excluded Deliverable Obligations:

Any obligations of a Reference Entity other than the Affected Reference Entity.

Partial Cash Settlement of Consent Required Loans:

Not Applicable.

Partial Cash Settlement of Assignable Loans:

Not Applicable.

Partial Cash Settlement of Participations:

Not Applicable.

Escrow:

Not Applicable.

Delivery Limitation:

The following provision shall apply to the Affected Reference Entity if Delivery Limitation is specified as "Applicable" in the applicable Standard Terms:

"With respect to a Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied, notwithstanding Section 1.7 or any provisions of Section 9.9 or Section 9.10 to the contrary, but without prejudice to Section 9.3 and (where applicable) Sections 9.4, 9.5 and 9.6 if the Termination Date has not occurred on or prior to the date that is 60 Business Days following the Physical Settlement Date, such 60th Business Day shall be deemed to be the Termination Date with respect to this Notional Credit Default Swap except in relation to any portion of the Notional Credit Default Swap (an "**Affected Portion**") in respect of which:

- (1) a valid notice of Buy-in Price has been delivered that is effective fewer than three Business Days prior to such 60th Business Day, in which case the Termination Date for that Affected Portion shall be the third Business Day following the date on which such notice is effective; or
- (2) Buyer has purchased but not Delivered Deliverable Obligations validly specified by Seller pursuant to

Section 9.10(b), in which case the Termination Date for that Affected Portion shall be the tenth Business Day following the date on which Seller validly specified such Deliverable Obligations to Buyer.”

## 5. Successor Provisions:

Succession Event

(1) Section 2.2(a) of the Credit Derivatives Definitions is amended as follows

Amendments to Section 2.2 of the Credit Derivatives Definitions:

- (a) the words “for the entire Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words “of the Reference Entity”;
- (b) the words “New Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words “new Notional Credit Default Swap”;
- (c) the words “Credit Derivative Transaction” shall be deleted from Section 2.2(a)(v); and replaced with the words “Notional Credit Default Swap”;

(2) Section 2.2(d) of the Credit Derivatives Definitions is replaced in its entirety with the following:

“(d) Where:

- (i) a Reference Obligation has been specified with respect to a Reference Entity;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the provisions of Section 2.30 with respect to each such Successor.”

(3) Section 2.2(e) shall be replaced in its entirety by the following:

“Where, pursuant to Section 2.2(a) above, more than one Successor has been identified in relation to a particular Reference Entity, the Notional Credit Default Swap to which such Succession Event relates shall be divided into the same number of Notional Credit Default Swaps as the number of Successors (each a **“new Notional Credit Default Swap”**). Each such new Notional Credit Default Swap will include one of the Successors together with all the other Reference Entities that were not subject to the Succession Event. The Floating Rate Payer Calculation Amount in respect thereof shall be equal to the Floating Rate Payer Calculation Amount of the Original Notional Credit Default Swap divided by the number of Successors. The Reference Entity Type of each Successor with respect to each new Notional Credit Default Swap shall be the same as the Reference Entity Type of the Reference Entity to which such Succession Event relates.” All other terms and conditions of the original Notional Credit Default Swap will be replicated in each new Notional Credit Default Swap except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original Notional Credit Default Swap in the new Notional Credit Default Swap (considered in aggregate).

Treatment of certain Succession Events:

Where any Reference Entity (the “**Surviving Reference Entity**”) (other than the 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 through the application of Section 2.2(a) of the Credit Derivatives Definitions, and Substitution is not applicable pursuant to this Confirmation, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

No duplication:

Where the effect of the Successor Provisions would be to specify a Reference Entity more than once with respect to a single Notional Credit Default Swap, that Reference Entity shall be deemed to be specified once only for the purposes of that Notional Credit Default Swap.

## 6. Partial Exercise Event:

Partial Exercise Event:

[Restructuring.]

Section 3.9 of the Credit Derivative Definitions shall [not] apply.

## 7. Calculation Agent Merger:

Calculation Agent Merger:

Section 2.31 of the Credit Derivatives Definitions shall apply to this Transaction, **provided that** each reference to ‘Seller’ in this Section shall be deemed to be a reference to the ‘Calculation Agent’.

## 8. Additional Provisions:

The following amendment shall be made to the Credit Derivatives:

(e) Section 1.12(a) (iii) of the Credit Derivatives Definitions is amended by replacing each reference to “the Scheduled Termination Date” by a reference to “the close of business on the third Business Day prior to the Scheduled Termination Date”.

The following amendments shall be made to the Credit Derivatives Definitions if the Fallback Settlement Method is applicable and "Cash Settlement" is stated to apply:

(a) The terms Valuation Obligations, Valuation Obligation Characteristics and Valuation Obligation Category shall have the same meaning given to “Deliverable Obligations”, “Deliverable Obligation Characteristics” and “Deliverable Obligation Category” in the Credit Derivatives Definitions (including, without limitation, Sections 2.19, 2.20 and 2.21).

(b) Where applicable:

- (I) any references to a “Delivery” shall be disregarded for the purposes of this Notional Credit Default Swap;
- (II) each reference in the Credit Derivatives Definitions to a “Delivery Date” shall be deemed to be a reference to the date of selection of the relevant Valuation Obligation, except that the words “the Delivery Date or applicable Valuation Date, as the case may be” shall be replaced in the two places where they appear in Section 8.7(b)(i) with the words “the applicable Valuation Date”; and
- (III) each reference in the Credit Derivatives Definitions to “Physical Settlement Date” shall be deemed to be a reference to the date of selection of the relevant Valuation Obligation.

(c) Section 2.32 of the Credit Derivatives Definitions shall be amended by:

- (I) deleting Section 2.32(a) in its entirety and replacing it by the following:

“If “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” is specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Buyer, then a Valuation

Obligation may only be specified if it (1) is a Fully Transferable Obligation and (2) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.”; and

(II) deleting the second paragraph of Section 2.32(b) and adding the following:

“For the purposes of the determining whether a Valuation Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the first Valuation Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer.”

(d) Section 2.33 of the Credit Derivatives Definitions shall be amended as follows:

(I) Section 2.33(a) shall be deleted in its entirety and replaced by the following:

“If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Buyer, then a Valuation Obligation may only be specified 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.”;

(II) Section 2.33(b)(i) shall be deleted; and

(III) the reference to the “Delivery Date” in Section 2.33(b)(ii) shall be deemed to be a reference to the first Valuation Date.

## SCHEDULE A (if applicable)

<b><u>Reference Entity:</u></b>	<b><u>Reference Obligation:</u></b>	<b><u>Entity Type:</u></b>
[Name]	Primary Obligor: [•]	European Corporate North American Corporate
	Guarantor: [•]	Asian Corporate
	Maturity: [•]	Japanese Corporate
	Coupon: [•]	Australian Corporate
	CUSIP/ISIN: [•]	New Zealand Corporate Singapore Corporate Subordinated European Insurance Corporate
		Emerging European Corporate LPN Emerging European Corporate
		Latin America Corporate B Latin America Corporate BL
		Asian Sovereigns
		European Emerging Markets and Middle Eastern Sovereigns
		Japanese Sovereigns Australian Sovereigns New Zealand Sovereigns Singapore Sovereigns Latin American Sovereigns Western European Sovereigns]

**SCHEDULE B**  
**STANDARD TERMS**

The standard terms relating to each Entity Type are set out in Part 5E.

## PART 5B: FIRST-TO-DEFAULT CREDIT-LINKED NOTES WITH PHYSICAL SETTLEMENT

The terms and conditions applicable to First-to-Default Credit-Linked Notes with physical settlement 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 “**FTD Physical 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 FTD Physical Conditions set out below, the FTD Physical Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the FTD Physical Conditions and (ii) the Final Terms, the Final Terms shall prevail.

### FTD Physical Conditions

The following amendments shall be made to the Principal Conditions.

#### A. *Redemption in whole or in part upon the occurrence of a Credit Event*

Condition 5(k) shall be deleted in its entirety and replaced with the following:

“(i) If a Credit Event has occurred and if the Conditions to Settlement are satisfied in the Notice Delivery Period with respect to the Notional Credit Default Swap (or all Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event), the relevant Issuer shall deliver a Notice of Physical Settlement to Noteholders in accordance with Condition 13 of the Principal Conditions. The relevant Issuer shall redeem the Credit-Linked Notes on or prior to the Physical Settlement Date, subject to sub-paragraph (iii) below, by using reasonable endeavours to Deliver a *pro rata* share of the Deliverable Obligations with an outstanding principal balance or a Due and Payable Amount equal to the aggregate Notional Amount of all Notional Credit Default Swaps in respect of which the Conditions to Settlement are satisfied, as specified in the relevant Notice of Physical Settlement, to each Noteholder.

(ii) Where there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event where either (x) “Restructuring Maturity Limited and Fully Transferable Obligation Applicable” or (y) “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” applies, if a Credit Event has occurred and if the Conditions to Settlement are satisfied in the Notice Delivery Period with respect to one or more of such Notional Credit Default Swaps but not all of them, the relevant Issuer shall deliver a Notice of Physical Settlement to Noteholders in accordance with Condition 13 of the Principal Conditions. The relevant Issuer shall redeem, in part, the Credit-Linked Notes on or prior to the Physical Settlement Date, subject to paragraph (iii) below, by using reasonable endeavours to Deliver a *pro rata* share of the Deliverable Obligations with an outstanding principal balance or a Due and Payable Amount equal to the aggregate Notional Amount of all Notional Credit Default Swaps in respect of which the Conditions to Settlement are satisfied, as specified in the relevant Notice of Physical Settlement, to each Noteholder. Following such partial redemption, the relevant Credit-Linked Note, or if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect that the aggregate Principal Amount Outstanding of the Credit-Linked Notes shall be an amount equal to the Remaining Amount.

(iii) If a Noteholder's *pro rata* share of the Deliverable Obligations to be delivered by the relevant Issuer pursuant to Condition 5(k)(i) or Condition 5(k)(ii) (the “**Deliverable Portion**”) is comprised of an amount not equal to a whole number of the Deliverable Obligations, then the relevant Issuer shall pay an amount in cash equal to the fair market value (as determined by the Calculation Agent, in its sole discretion) of the fractional component of Deliverable Portion (the “**Cash Adjustment Amount**”), in addition to any Deliverable Obligations delivered pursuant to Condition 5(k)(i) or Condition 5(k)(ii) in satisfaction of the relevant Issuer's obligation to deliver the Deliverable Portion to the Noteholder.

(iv) If at any time after the delivery of the Notice of Physical Settlement but prior to the Physical Settlement Date, any portion of the Deliverable Obligations specified in such Notice of Physical Settlement become Undeliverable Obligations, the relevant Issuer shall use reasonable efforts to Deliver the portion of the Deliverable Obligations capable of Delivery to the Noteholders within 30 Business Days following the Physical Settlement Date or, if “Delivery Limitation” is stated to be “Applicable” in the relevant Final Terms, 60 Business Days following the Physical Settlement Date (the “**Extended Physical Settlement Date**”).

(v) If any Undeliverable Obligations have not been delivered on or prior to the Extended Physical Settlement Date, the relevant Issuer shall redeem each Credit-Linked Note on the Partial Cash Settlement Date at an amount equal to the Partial Cash Settlement Amount,

Where:

**"Partial Cash Settlement Date"** means the date that is three Business Date after the Partial Cash Settlement Valuation Date.

**"Partial Cash Settlement Amount"** means an amount calculated by the Calculation Agent on the Partial Valuation Date equal to the Cash Settlement Amount calculated in accordance with the Partial Cash Settlement Terms set out in Section 9.8.

**"Partial Cash Settlement Valuation Date"** means the date that is two Business Days after the Extended Physical Settlement Date.

(vi) The Delivery of any Deliverable Obligation in accordance with this Condition 5(k) shall be made by the Calculation Agent, acting on behalf of the relevant Issuer, in a commercially reasonable manner determined by the Calculation Agent, in its sole discretion, to be appropriate. Any fees, taxes, costs or expenses associated with such Delivery (the "**Delivery Expenses**") shall be for the account of the Noteholders in accordance with the market conventions at the time of the delivery. Delivery of the Deliverable Obligations shall be delayed until the Delivery Expenses payable by the Noteholders have been paid to the satisfaction of the relevant Issuer and the Calculation Agent.

(vii) If at any time from the occurrence of an Event Determination Date but prior to the Physical Settlement Date in respect of a Credit Event, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve matters described in the Credit Event Resolution Notice are satisfied in accordance with the Rules, the redemption of the Credit-Linked Notes in accordance with this Condition 5(k) shall be suspended until such time that ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in the Credit Event Resolution Notice or (b) not to determine such matters (the "**Public Announcement**"). During this suspension period, the relevant Issuer shall not have any obligation to take any action to redeem the Credit-Linked Notes. Once ISDA has made the Public Announcement, the redemption of the Credit-Linked Notes pursuant to this Condition 5(k) shall resume on the Business Day following the date of such Public Announcement.

(viii) Delivery of the Deliverable Obligations and/or payment of the Cash Adjustment Amount (if any) and/or payment of any Partial Cash Settlement Amount by the relevant Issuer pursuant to Condition 5(k)(i), Condition 5(k)(ii), Condition 5(k)(iii), Condition 5(k)(iv) or Condition 5(k)(v) (as the case may be) to the Noteholders shall discharge all of the relevant Issuer's obligations to the Noteholders in respect of the Redemption Portion of the Credit-Linked Notes.

For the purposes of this Condition 5(k):

**"Remaining Amount"** means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have not been satisfied on or prior to such date.

**"Notional Amount"** means, on any date, the Floating Rate Payer Calculation Amount, as determined in accordance with the relevant Notional Credit Default Swap.

**"Redemption Portion"** means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have been satisfied on or prior to such date

Terms not otherwise defined shall have the meaning given to them in CDS Confirmation 2, incorporated into these FTD Physical Conditions"

#### B. *Overpayments*

A new Condition 5(l) shall be added as follows:

"If at any time payments of interest or principal are paid to Noteholders in circumstances where such amounts (i) should not have been paid pursuant to the Conditions, the FTD Physical Conditions and the applicable Final Terms and (ii) was paid as a result of the relevant Issuer not having notified the Fiscal Agent in sufficient time that such payments were not to be made (an "**Overpayment**"), then any subsequent amounts due to Noteholders shall be reduced to account for such Overpayment (plus any accrued interest thereon) as determined by the Calculation Agent in its sole discretion."

### *C. Modifications to the Credit-Linked Conditions*

The following shall be added as a new Condition 5(m):

"If the relevant Issuer adheres to any protocol published by ISDA after the Issue Date that set out alternative settlement or valuation methods in relation to a Reference Entity (a "**Protocol**") then the Calculation Agent may make any adjustments to the FTD Cash Conditions, FTD Physical Conditions, FTD Auction Conditions and/or the CLN Tranche Conditions (including to any notional credit default swaps incorporated therein) as it deems appropriate to reflect some or all of the relevant settlement, valuation and other provisions of such Protocol. These may include, without limitation, adjustments in relation to the determination of any Cash Settlement Amount or any Final Price or determining that Cash Settlement rather than Physical Settlement shall apply and vice versa. Nothing in this Condition 5(m) shall be taken as requiring the relevant Issuer to follow the terms of any Protocol"

### *D. No redemption for taxation reasons*

The following text shall be added to Condition 5(b) under the paragraph beginning "If, as a result of any amendment to":

"Notwithstanding the above, Condition 5(b) shall not apply to any Credit-Linked Note. The relevant Issuer will not pay any additional amount in the event of any amendment to or any changes in taxation law ."

### *E. Calculation of Redemption Amount on an Event of Default on Credit-Linked Notes*

The following text shall be inserted below sub-paragraph (ii) of the definition of "Permitted Reorganisation" in Condition 9(a):

"For the purposes of this Condition 9(a) and any Credit-Linked Note, "**Redemption Amount**" means an amount determined by the Calculation Agent in its sole and absolute discretion to be the fair market value of the Credit-Linked Note immediately prior to the occurrence of an Event of Default, less any reasonable expenses and costs to the relevant Issuer, the Guarantor and/or any affiliate of the relevant Issuer or Guarantor of unwinding any underlying and/or related hedging and/or funding arrangements (including, but not limited to, taking into consideration the obligation of the relevant Issuer to make payments of interest under the Credit-Linked Notes and the cost to the relevant Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the date on which the Credit-Linked Notes are to be redeemed as a result of such Event of Default). This amount may be less than the Specified Denomination of each Credit-Linked Note."

For the purpose of this Condition 9(a), the Calculation Agent shall act as an independent expert and not as an agent for the relevant Issuer or the Noteholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the relevant Issuer, the Agents and the Noteholders. The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith."

If Part 5B is shown as being applicable in paragraph 38 of the relevant Final Terms, then the FTD Physical Conditions will incorporate the notional credit default swap confirmation 2 mentioned below ("**CDS Confirmation 2**"). The relevant amounts, dates, terms and information of the CDS Confirmation 2 will be completed in the relevant Final Terms.

### **CDS Confirmation 2**

The purpose of this confirmation and any schedules hereto (this "**Confirmation**") is to confirm the terms and conditions of the notional credit default swap deemed to be entered into between two notional counterparties ("**Seller**" and "**Buyer**") on the Trade Date specified below and is not an actual transaction (the "**Notional Credit Default Swap**") for the purposes of which the Issuer shall be deemed to be the Buyer. One or more new notional credit default swaps (each a "**Notional Credit Default Swap**") will be deemed entered on the occurrence of a Succession Event or a Partial Exercise Event, as defined in this Confirmation. Each such Notional Credit Default Swap shall be governed by a separate Confirmation, and the terms of this Confirmation shall apply to each such Notional Credit Default Swap separately as set out herein.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the following supplements (i) the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions; (ii) the March 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions; (iii) the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions; and (iv) as further supplemented, should at any time the Calculation Agent consider such to be applicable, by the Additional Provisions for Physically Settled Default Swaps — Monoline Insurer as Reference Entity, published on 21 January 2005 (the Monoline Supplement), (together, the “**Credit Derivatives Definitions**”), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

The purpose of this Confirmation is to set out the mechanics under which:

- (i) it is determined that the Conditions to Settlement are satisfied with respect to any Notional Credit Default Swap and, if satisfied, whether such satisfaction of the Conditions to Settlement could lead to a Partial Exercise Event and the consequences thereof;
- (ii) the date on which the Conditions to Settlement are satisfied and the Event Determination Date with respect to any Notional Credit Default Swap are determined;
- (iii) the Deliverable Obligation(s) with respect to each Notional Credit Default Swap in respect of which the Conditions to Settlement are satisfied, is determined; and
- (iv) the occurrence of a Succession Event or Partial Exercise Event with respect to any Notional Credit Default Swap shall be determined, whereby:
  - (I) in the case of a Succession Event:
    - a. the aggregate of the Floating Rate Payer Calculation Amounts of all new Notional Credit Default Swap(s) deemed in accordance with section 5 hereunder shall be equal to the Floating Rate Payer Calculation Amount of the relevant Notional Credit Default Swap to which such Succession Event relates,
    - b. the Reference Entities with respect to each new Notional Credit Default Swap shall be determined in accordance with the provisions described in section 5 hereunder; and
    - c. the relevant Notional Credit Default Swap to which the Succession Event relates shall cease to be in force; and,
  - (II) in the case of a Partial Exercise Event, the Floating Rate Payer Calculation Amount of the relevant Notional Credit Default Swap to which such Partial Exercise Event shall be equal reduced by an amount equal to the Exercise Amount specified in relation to such Partial Exercise Event (the “**Relevant Exercise Amount**”) and a new Notional Credit Default Swap deemed accordance with section 6 hereunder, having a Floating Rate Payer Calculation Amount equal to the Relevant Exercise Amount, shall be settled in accordance with the terms of such new Notional Credit Default Swap.

#### ***Notional credit default swap***

For the avoidance of doubt, each Notional Credit Default Swap which is deemed to be entered into in accordance with the terms of a Confirmation shall at all times be deemed to be a Notional Credit Default Swap in relation to the Credit-Linked Notes.

The Settlement Terms shall apply solely to one Reference Entity, which shall be the first Reference Entity with respect to which an Event Determination Date occurs or, if an Event Determination Date occurs in respect of more than one Reference Entity on the same day, the Reference Entity in respect of which the Credit Event Notice and the Notice of Publicly Available Information was first delivered on such day (such entity, the “**Affected Reference Entity**”). This limitation shall apply to each Notional Credit Default Swap separately if more than one Notional Credit Default Swap arises pursuant to Sections 2.2 or 3.9 of the Credit Derivatives Definitions, as defined in this Confirmation.

Fortis Bank NV/SA, as calculation agent in respect of the Credit-Linked Notes, will act as Calculation Agent in respect of the Notional Credit Default Swap and will make any calculations or determinations, exercise any discretion or take any other action that would be required or permitted to be made or taken by the Calculation Agent pursuant to the relevant Notional Credit Default Swap, as if that Notional Credit Default Swap were actually in existence and any such determination or calculation that it makes, and any other action that it takes, each in accordance with the terms set out therein, shall be deemed to have been duly made or taken pursuant to the Notional Credit Default Swap.

For the avoidance of doubt, any calculations or determinations made, or any other action taken by the Calculation Agent in respect of the Notional Credit Default Swap shall be subject to Section 1.14 of the Credit Derivatives Definitions. Any requirement for the Calculation Agent to consult with any of the parties shall be deemed not to apply.

The terms of the original Notional Credit Default Swap are as follows:

**1. General Terms:**

Trade Date:	[•].
Effective Date:	[•].
Termination Date:	The date which is the later of (i) the Physical Settlement Date and (ii) the Extension Date.
Scheduled Termination Date:	Scheduled Maturity Date in respect of the Credit-Linked Notes.
Calculation Agent:	Fortis Bank NV/SA.
Calculation Agent City:	Brussels.
Business Days for all purposes other than the calculation and payment of the Interest Amounts and Calculation Agent City Business Day:	In respect of a Reference Entity, the Business Days specified in the applicable Standard Terms (each such day being a "Transaction Day"). In the event that due to the application of the relevant Transaction Days, settlement would otherwise occur on a day that is not a Business Day, such settlement shall occur in accordance with the terms of this Transaction on the first Business Day to occur after such day.
Business Day Convention:	Following (which, subject to Sections 1.4 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).
Reference Entity:	<p>The Reference Entities are composed of:</p> <ul style="list-style-type: none"><li>(a) the following Reference Entities (which will be considered to be European Reference Entities): [•]</li><li>(b) the following Reference Entities (which will be considered to be US Reference Entities): [•]</li><li>(c) the following Reference Entities (which will be considered to be Asian Entities): [•]</li><li>(d) the following Reference Entities (which will be considered to be Japanese Entities): [•]</li><li>(e) the following Reference Entities (which will be considered to be Australian Entities): [•]</li></ul>

- (f) the following Reference Entities (which will be considered to be New Zealand Entities):
  - [•]
- (g) the following Reference Entities (which will be considered to be Singapore Entities):
  - [•]
- (h) the following Reference Entities (which will be considered to be Subordinated European Insurance Entities):
  - [•]
- (i) the following Reference Entities (which will be considered to be Latin American Entities):
  - [•]
- (j) the following Reference Entities (which will be considered to be Asian Sovereigns Entities):
  - [•]
- (k) the following Reference Entities (which will be considered to be European Emerging Markets and Middle Eastern Sovereigns Entities):
  - [•]
- (l) the following Reference Entities (which will be considered to be Japanese Sovereigns Entities):
  - [•]
- (m) the following Reference Entities (which will be considered to be Australian Sovereigns Entities):
  - [•]
- (n) the following Reference Entities (which will be considered to be New Zealand Sovereigns Entities):
  - [•]
- (o) the following Reference Entities (which will be considered to be Singapore Sovereigns Entities):
  - [•]
- (p) the following Reference Entities (which will be considered to be Latin American Sovereigns Entities):
  - [•]
- (q) the following Reference Entities (which will be considered to be Western European Sovereigns Entities):
  - [•]

Each such European Reference Entity, US Reference Entity, Asian Reference Entity, Japanese Reference Entity, Australian Reference Entity, New Zealand Reference Entities, Singapore Reference Entity, Subordinated European Insurance Entity, Latin American Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any

	Successor, shall be Reference Entities.
	Each Reference Entity has been designated a particular "Entity Type" in Schedule A. References in this Confirmation to "Standard Terms" means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.
Reference Price:	[•] per cent.
Reference Obligation(s):	The obligation(s) (if any) identified as such in respect of a Reference Entity in Schedule A. The parties agree that such obligation may be used as, <i>inter alia</i> , an Obligation or Deliverable Obligation in respect of the relevant Reference Entity notwithstanding that the Primary Obligor of such obligation may not be the same entity as the applicable Reference Entity.
Credit Events:	In respect of a Reference Entity, the Credit Events specified in the applicable Standard Terms.
Obligation(s):	In respect of an Affected Reference Entity, the applicable Obligations thereof shall be determined in accordance with Section 2.14 of the Credit Derivatives Definitions on the basis of the Obligation Category and the Obligation Characteristic(s) specified in the applicable Standard Terms.
Excluded Obligation(s):	None
Substitution	[Applicable] / [Not applicable].
All Guarantees:	In respect of a Reference Entity, "Applicable" or "Not Applicable" shall apply as specified in the applicable Standard Terms.
Exercise Amount:	Where an Event Determination Date occurs and Restructuring is the only Credit Event specified in the Credit Event Notice, the Exercise Amount shall mean the amount specified by the Notifying Party in accordance with Section 3.9 of the Credit Derivatives Definitions and the provisions contained in this Confirmation. With respect to (a) any Credit Event other than Restructuring or (b) any Credit Event in respect of any Reference Entity to which Section 3.9 of the Credit Derivatives Definitions shall not apply as stated in the applicable Standard Terms, the Exercise Amount shall be equal to the Floating Rate Payer Calculation Amount (and not a portion thereof).
Conditions to Settlement:	Credit Event Notice Notifying Party: The Buyer. Notice of Physical Settlement. Notice of Publicly Available Information: Applicable.
Event Determination Date	The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the " <b>Affected Reference Entity</b> " as defined in the Preamble). Section 1.8(ii) of the Credit Derivatives Definitions shall be amended by replacing: 1. the reference to "Buyer or Seller" in sub-paragraph (A)(I)(1) with a reference to "Buyer"; 2. the reference to "Buyer" or "Seller" in sub-paragraph(A)(II)(1) with a reference to "Buyer";

3. the reference to "Buyer or Seller" in sub-paragraph(B)(I)(1) with a reference to "Buyer"; and

4. the reference to "Buyer" or "Seller" in sub-paragraph(B)(II)(1) with a reference to "Buyer".

## 2. Fixed Payments

Not Applicable.

## 3. Floating Payments:

Floating Rate Payer

[Seller]

Floating Rate Payer Calculation Amount:

With respect to any day, [•], (as adjusted from time to time in accordance with Section 2.2 and Section 3.9 of Credit Derivatives Definitions and section 5 and 6 of this Confirmation).

## 4. Settlement Terms:

Settlement Method:

Physical Settlement.

### Terms relating to Physical Settlement:

Physical Settlement Amount:

The Floating Rate Payer Calculation Amount multiplied by the Reference Price.

Physical Settlement Period:

The Physical Settlement Period identified in the applicable Standard Terms for the Affected Reference Entity.

Deliverable Obligations:

"Exclude Accrued Interest" or "Include Accrued Interest" shall apply as specified in the applicable Standard Terms for the Affected Reference Entity.

In respect of an Affected Reference Entity, in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Deliverable Obligation Category and Deliverable Obligation Characteristic(s) specified in the applicable Standard Terms.

Excluded Deliverable Obligations:

Any obligations of a Reference Entity other than the Affected Reference Entity.

Partial Cash Settlement of Consent Required Loans:

Not Applicable.

Partial Cash Settlement of Assignable Loans:

Not Applicable.

Partial Cash Settlement of Participations:

Not Applicable.

Escrow:

Not Applicable.

Delivery Limitation:

The following provision shall apply to the Affected Reference Entity if Delivery Limitation is specified as "Applicable" in the applicable Standard Terms:

"With respect to a Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied, notwithstanding Section 1.7 or any provisions of Section 9.9 or Section 9.10 to the contrary, but without prejudice to Section 9.3 and (where applicable) Sections 9.4, 9.5 and 9.6 if the Termination Date has not occurred on or prior to the date that is 60 Business Days following the Physical Settlement Date, such 60th Business Day shall be deemed to be the Termination Date with respect to this Notional Credit Default Swap except in relation to any portion of the Notional Credit Default Swap (an "Affected Portion") in respect of which:

(1) a valid notice of Buy-in Price has been delivered that is effective fewer than three Business Days prior to such 60th Business Day, in which case the Termination Date for that

Affected Portion shall be the third Business Day following the date on which such notice is effective; or

(2) Buyer has purchased but not Delivered Deliverable Obligations validly specified by Seller pursuant to Section 9.10(b), in which case the Termination Date for that Affected Portion shall be the tenth Business Day following the date on which Seller validly specified such Deliverable Obligations to Buyer.”

## 5. Successor Provisions:

Succession Event

(1) Section 2.2(a) of the Credit Derivatives Definitions is amended as follows:

- (a) the words “for the entire Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words “of the Reference Entity”;
- (b) the words “New Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words “new Notional Credit Default Swap”;
- (c) the words “Credit Derivative Transaction” shall be deleted from Section 2.2(a)(v); and replaced with the words “Notional Credit Default Swap”

(2) Section 2.2(e)(i) of the Credit Derivatives Definitions is replaced in its entirety with the following:

“each Successor will be a Reference Entity for the purposes of one of the Notional Credit Default Swap each, and each of the Reference Entities that is not a subject of the applicable Succession Event shall be a Reference Entity for the purposes of each and every one of the Notional Credit Default Swaps;”

(3) Section 2.2(d) of the Credit Derivatives Definitions is replaced in its entirety with the following:

“(d) Where:

- (i) a Reference Obligation has been specified with respect to a Reference Entity;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more Successors have not assumed the Reference Obligation, a Substitute Reference Obligation will be determined in accordance with the provisions of Section 2.30 with respect to each such Successor.”

(4) Section 2.2(e) shall be replaced in its entirety by the following:

“Where, pursuant to Section 2.2(a) above, one or more Successors have been identified in relation to a particular Reference Entity, the Notional Credit Default Swap to which such Succession Event relates shall be divided into the same number of Notional Credit Default Swaps as the number of Successors (each a new “**Notional Credit Default Swap**”). Each such Notional Credit Default Swap will include one of the Successors together with the other Reference Entities that were not subject to the Succession Event. The Notional Amount in respect thereof shall be equal to the Notional Amount of the Original Notional Credit Default Swap divided by the number of Successors. The Reference Entity Type

of each Successor with respect to each new Notional Credit Default Swap shall be the same as the Reference Entity Type of the Reference Entity to which such Succession Event relates.” All other terms and conditions of the original Notional Credit Default Swap will be replicated in each new Notional Credit Default Swap except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original Notional Credit Default Swap in the new Notional Credit Default Swap (considered in aggregate).

Treatment of certain Succession Events

Where any Reference Entity (the “**Surviving Reference Entity**”) (other than the 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 through the application of Section 2.2(a) of the Credit Derivatives Definitions, and Substitution is not applicable pursuant to this Confirmation, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

No duplication:

Where the effect of the Successor Provisions would be to specify a Reference Entity more than once with respect to a single Notional Credit Default Swap, that Reference Entity shall be deemed to be specified once only for the purposes of that Notional Credit Default Swap.

## **6. Partial Exercise Event provisions:**

Partial Exercise Event

[Restructuring]

Section 3.9 of the Credit Derivatives Definitions shall [not] apply.

## **7. Calculation Agent Merger:**

Calculation Agent Merger:

Section 2.31 of the Credit Derivatives Definitions shall apply to this Transaction, **provided that** each reference to ‘Seller’ in this Section shall be deemed to be a reference to the ‘Calculation Agent’.

## **8. Additional Provisions:**

Section 1.12(a) (iii) of the Credit Derivatives Definitions is amended by replacing each reference to “the Scheduled Termination Date” by a reference to “the close of business on the third Business Day prior to the Scheduled Termination Date”.

## SCHEDULE A

<b>Reference Entity:</b> [Name]	<b>Reference Obligation:</b> Primary Obligor: [•] Guarantor: [•] Maturity: [•] Coupon: [•] CUSIP/ISIN: [•]	<b>Entity Type:</b> [European Corporate North American Corporate Asian Corporate Japanese Corporate Australian Corporate New Zealand Corporate Singapore Corporate Subordinated European Insurance Corporate Emerging European Corporate LPN Emerging European Corporate Latin America Corporate B Latin America Corporate BL Asian Sovereigns European Emerging Markets and Middle Eastern Sovereigns Japanese Sovereigns Australian Sovereigns New Zealand Sovereigns Singapore Sovereigns Latin American Sovereigns Western European Sovereigns]
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**SCHEDULE B**  
**STANDARD TERMS**

The standard terms relating to each Entity Type are set out in Part 5E.

## PART 5C: FIRST-TO-DEFAULT CREDIT-LINKED NOTES WITH CASH SETTLEMENT

The terms and conditions applicable to First-to-Default Credit-Linked Notes with cash settlement 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 “**FTD Cash 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 FTD Cash Conditions set out below, the FTD Cash Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the FTD Cash Conditions and (ii) the Final Terms, the Final Terms shall prevail.

### FTD Cash Conditions

The following amendments shall be made to the Principal Conditions if this Part 5C is stated to be applicable in the relevant Final Terms:

#### A. *Redemption in whole or in part upon the occurrence of a Credit Event*

Condition 5(k) shall be deleted in its entirety and replaced with the following:

"(i) If a Credit Event has occurred and if the Conditions to Settlement are satisfied in the Notice Delivery Period with respect to the Notional Credit Default Swap (or all Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event), each Credit-Linked Note will be redeemed by the relevant Issuer on the Cash Settlement Date at an amount equal to the aggregate Cash Redemption Amounts in respect of all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Credit-Linked Notes, rounded in accordance with Condition 15 (*Rounding*) of the Principal Conditions.

(ii) Where there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event where either (x) "Restructuring Maturity Limited and Fully Transferable Obligation Applicable" or (y) "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" applies, if a Credit Event has occurred and if the Conditions to Settlement are satisfied in the Notice Delivery Period with respect to one or more of such Notional Credit Default Swaps but not all of them, each Credit-Linked Note will be redeemed by the relevant Issuer on the Cash Settlement Date at an amount equal to the aggregate Cash Redemption Amounts for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Credit-Linked Notes, rounded in accordance with Condition 15 (*Rounding*) of the Principal Conditions. Following such partial redemption, 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 that the aggregate Principal Amount Outstanding of the Credit-Linked Notes shall be the Remaining Amount.

(iii) If at any time from the occurrence of an Event Determination Date but prior to the Calculation Date in respect of a Credit Event, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve matters described in the Credit Event Resolution Notice are satisfied in accordance with the Rules, the redemption of the Credit-Linked Notes in accordance with this Condition 5(k) shall be suspended until such time that ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in the Credit Event Resolution Notice or (b) not to determine such matters (the “**Public Announcement**”). During this suspension period, the relevant Issuer shall not have any obligation to take any action to redeem the Credit-Linked Notes. Once ISDA has made the Public Announcement, the redemption of the Credit-Linked Notes pursuant to this Condition 5(k) shall resume on the Business Day following the date of such Public Announcement.

(iv) Payment by the relevant Issuer of amounts pursuant to Condition 5(k)(i) or Condition 5(k)(ii) (as the case may be) to the Noteholders shall discharge all of the relevant Issuer's obligations to the Noteholders in respect of the Redemption Portion of the Credit-Linked Notes.

For the purposes of this Condition 5(k):

“**Cash Redemption Amount**” means an amount calculated by the Calculation Agent on the Calculation Date in respect of each Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied in accordance with the following formula:

$$A = B - C + D$$

where:

A means the Cash Redemption Amount;

B means the Floating Rate Payer Calculation Amount of the relevant Notional Credit Default Swap.

C means the Cash Settlement Amount calculated in respect of the relevant Notional Credit Default Swap; and

D means the Accruals calculated in respect of the relevant Notional Credit Default Swap.

**"Cash Settlement Amount"** means an amount calculated on the Calculation Date by the Calculation Agent equal to the sum of (i) the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio, and (ii) the Unwind Amount (as defined below). For the avoidance of doubt, although a Cash Settlement Amount will be calculated by the Calculation Agent, no party shall be obliged to make any payment or delivery in respect thereof.

**"Unwind Amount"** means an amount as reasonably determined by the Calculation Agent in its sole discretion, on the Calculation Date representing any reasonable expenses and costs to the relevant Issuer, the Guarantor and/or any affiliate of the relevant Issuer or Guarantor of unwinding any underlying and/or related hedging and/or funding arrangements (including, but not limited to, taking into consideration the obligation of the relevant Issuer to make payments of interest under the Credit-Linked Notes and the cost to the relevant Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the Calculation Date).

**"Accruals"** means an amount of interest determined on the Calculation Date by the Calculation Agent in respect of the relevant Notional Credit Default Swap by multiplying the product of the Notional Amount of such Notional Credit Default Swap less the Cash Settlement Amount determined thereunder and the Accrual Interest Rate by the number of days in the period from, and excluding the Event Determination Date to, but including, the Calculation Date divided by 360.

**"Remaining Amount"** means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have not been satisfied on or prior to such date.

The **"Accrual Interest Rate"** shall be calculated by the Calculation Agent as if ISDA Determination had been elected for the purposes of paragraph 16 of the applicable Final Terms, where the Floating Rate Option was EUR-EONIA-OIS-COMPOUND, the Designated Maturity, the Calculation Period was the period from, and excluding, the relevant Event Determination Date to, but including, the Termination Date and the Reset Date was the relevant Event Determination Date.

**"Notional Amount"** means, on any date, the Floating Rate Payer Calculation Amount, as determined in accordance with the relevant Notional Credit Default Swap.

**"Redemption Portion"** means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have been satisfied on or prior to such date

Terms not otherwise defined shall have the meaning given to them in CDS Confirmation 3, incorporated into these FTD Cash Conditions"

#### B. Overpayments

A new Condition 5(l) shall be added as follows:

"If at any time payments of interest or principal are paid to Noteholders in circumstances where such amounts (i) should not have been paid pursuant to the Conditions, the FTD Cash Conditions and the applicable Final Terms and (ii) was paid as a result of the relevant Issuer not having notified the Fiscal Agent in sufficient time that such payments were not to be made (an

**"Overpayment")**, then any subsequent amounts due to Noteholders shall be reduced to account for such Overpayment (plus any accrued interest thereon) as determined by the Calculation Agent in its sole discretion."

#### *C. Modifications to the Credit-Linked Conditions*

The following shall be added as a new Condition 5(m):

"If the relevant Issuer adheres to any protocol published by ISDA after the Issue Date that set out alternative settlement or valuation methods in relation to a Reference Entity (a **"Protocol"**) then the Calculation Agent may make any adjustments to the FTD Cash Conditions, FTD Physical Conditions, FTD Auction Conditions and/or the CLN Tranche Conditions (including to any notional credit default swaps incorporated therein) as it deems appropriate to reflect some or all of the relevant settlement, valuation and other provisions of such Protocol. These may include, without limitation, adjustments in relation to the determination of any Cash Settlement Amount or any Final Price or determining that Cash Settlement rather than Physical Settlement shall apply and vice versa. Nothing in this Condition 5(m) shall be taken as requiring the relevant Issuer to follow the terms of any Protocol"

#### *D. No redemption for taxation reasons*

The following text shall be added to Condition 5(b) under the paragraph beginning "If, as a result of any amendment to":

"Notwithstanding the above, Condition 5(b) shall not apply to any Credit-Linked Note. The relevant Issuer will not pay any additional amount in the event of any amendment to or any changes in taxation law ."

#### *E. Calculation of Redemption Amount on an Event of Default on Credit-Linked Notes*

The following text shall be inserted below sub-paragraph (ii) of the definition of "Permitted Reorganisation" in Condition 9(a):

"For the purposes of this Condition 9(a) and any Credit-Linked Note, **"Redemption Amount"** means an amount determined by the Calculation Agent in its sole and absolute discretion to be the fair market value of the Credit-Linked Note immediately prior to the occurrence of an Event of Default, less any reasonable expenses and costs to the relevant Issuer, the Guarantor and/or any affiliate of the relevant Issuer or Guarantor of unwinding any underlying and/or related hedging and/or funding arrangements (including, but not limited to, taking into consideration the obligation of the relevant Issuer to make payments of interest under the Credit-Linked Notes and the cost to the relevant Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the date on which the Credit-Linked Notes are to be redeemed as a result of such Event of Default). This Redemption Amount may be less than the Specified Denomination of each Credit-Linked Note.

For the purpose of this Condition 9(a), the Calculation Agent shall act as an independent expert and not as an agent for the relevant Issuer or the Noteholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the relevant Issuer, the Agents and the Noteholders. The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith."

If Part 5C is shown as being applicable in paragraph 38 the relevant Final Terms, then the FTD Cash Conditions shall incorporate the notional credit default swap confirmation 3 mentioned below (**"CDS Confirmation 3"**). The relevant amounts, dates, terms and information of the CDS Confirmation 3 will be completed in the relevant Final Terms.

#### **CDS Confirmation 3**

The purpose of this confirmation and any schedules hereto (this **"Confirmation"**) is to confirm the terms and conditions of a notional credit default swap deemed to be entered into between two notional counterparties (**"Seller"** and **"Buyer"**) on the Trade Date specified below and is not an actual transaction (the **"Notional Credit Default Swap"**) for the purposes of which the Issuer shall be deemed to be the Buyer. One or more new notional credit default swaps (each a **"Notional Credit Default Swap"**) will be deemed entered on the occurrence of a Succession Event or a Partial Exercise Event, as defined in this Confirmation. Each such

Notional Credit Default Swap shall be governed by a separate Confirmation, and the terms of this Confirmation shall apply to each such Notional Credit Default Swap separately as set out herein.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the following supplements (i) the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions; (ii) the March 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions; (iii) the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions; and (iv) as further supplemented, should at any time the Calculation Agent consider such to be applicable, by the Additional Provisions for Physically Settled Default Swaps — Monoline Insurer as Reference Entity, published on 21 January 2005 (the Monoline Supplement), (together, the “**Credit Derivatives Definitions**”), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

The purpose of this Confirmation is to set out the mechanics under which:

- (i) it is determined that the Conditions to Settlement are satisfied with respect to any Notional Credit Default Swap and, if satisfied, whether such satisfaction of the Conditions to Settlement could lead to a Partial Exercise Event and the consequences thereof;
- (ii) the date on which the Conditions to Settlement are satisfied and the Event Determination Date with respect to any Notional Credit Default Swap are determined;
- (iii) the Cash Settlement Amount with respect to each Notional Credit Default Swap in respect of which the Conditions to Settlement are satisfied, is determined; and
- (iv) the occurrence of a Succession Event or Partial Exercise Event with respect to any Notional Credit Default Swap shall be determined, whereby:
  - (I) in the case of a Succession Event:
    - a. the aggregate of the Floating Rate Payer Calculation Amounts of all new Notional Credit Default Swap(s) deemed in accordance with section 5 hereunder shall be equal to the Floating Rate Payer Calculation Amount of the relevant Notional Credit Default Swap to which such Succession Event relates,
    - b. the Reference Entities with respect to each new Notional Credit Default Swap shall be determined in accordance with the provisions described in section 5 hereunder; and
    - c. the relevant Notional Credit Default Swap to which the Succession Event relates shall cease to be in force; and,
  - (II) in the case of a Partial Exercise Event, the Floating Rate Payer Calculation Amount of the relevant Notional Credit Default Swap to which such Partial Exercise Event shall be equal reduced by an amount equal to the Exercise Amount specified in relation to such Partial Exercise Event (the “**Relevant Exercise Amount**”) and a new Notional Credit Default Swap deemed accordance with section 6 hereunder, having a Floating Rate Payer Calculation Amount equal to the Relevant Exercise Amount, shall be settled in accordance with the terms of such new Notional Credit Default Swap.

### ***Notional Credit Default Swap***

For the avoidance of doubt, each Notional Credit Default Swap which is deemed to be entered into in accordance with the terms of a Confirmation shall at all times be deemed to be a Notional Credit Default Swap in relation to the Credit-Linked Notes.

The Settlement Terms shall apply solely to one Reference Entity, which shall be the first Reference Entity with respect to which an Event Determination Date occurs or, if an Event Determination Date occurs in respect of more than one Reference Entity on the same day, the Reference Entity in respect of which the Credit Event Notice and the Notice of Publicly Available Information was first delivered on such day (such entity, the “**Affected Reference Entity**”). This limitation shall apply to each

Notional Credit Default Swap separately if more than one Notional Credit Default Swap arises pursuant to Sections 2.2 or 3.9 of the Credit Derivatives Definitions, as defined in this Confirmation.

Fortis Bank NV/SA, as calculation agent in respect of the Credit-Linked Notes, will act as Calculation Agent in respect of the Notional Credit Default Swap and will make any calculations or determinations, exercise any discretion or take any other action that would be required or permitted to be made or taken by the Calculation Agent pursuant to the relevant Notional Credit Default Swap (including, without limitation to the generality of the foregoing, the selection of Valuation Obligations and the notification of such Valuation Obligations, each in accordance with the terms thereof) as if that Notional Credit Default Swap were actually in existence and any such determination or calculation that it makes, and any other action that it takes, each in accordance with the terms set out therein, shall be deemed to have been duly made or taken pursuant to the Notional Credit Default Swap.

For the avoidance of doubt, any calculations or determinations made, or any other action taken by the Calculation Agent in respect of the Notional Credit Default Swap shall be subject to Section 1.14 of the Credit Derivatives Definitions. Any requirement for the Calculation Agent to consult with any of the parties shall be deemed not to apply.

The terms of the original Notional Credit Default Swap are as follows:

## 1. General Terms:

Trade Date:

[•].

Effective Date:

[•].

Termination Date:

The date which is the later of (i) the Cash Settlement Date and (ii) the Extension Date.

Scheduled Termination Date:

Scheduled Maturity Date in respect of the Credit-Linked Notes

Calculation Agent:

Fortis Bank NV/SA.

Calculation Agent City:

Brussels.

Business Days for all purposes other than the calculation and payment of the Interest Amounts and Calculation Agent City Business Day:

In respect of a Reference Entity, the Business Days specified in the Applicable Standard Terms (each such day being a "Transaction Day"). For all other purposes and unless otherwise provided for herein, [•].

Business Day Convention:

Following (which, subject to Sections 1.4 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entity:

The Reference Entities are composed of:

(a) the following Reference Entities (which will be considered to be European Reference Entities):

[•]

(b) the following Reference Entities (which will be considered to be US Reference Entities):

[•]

(c) the following Reference Entities (which will be considered to be Asian Entities):

[•]

(d) the following Reference Entities (which will be considered to be Japanese Entities):

[•]

(e) the following Reference Entities (which will be considered to be Australian Entities):

[•]

(f) the following Reference Entities (which will be considered to be New Zealand Entities):

[•]

(g) the following Reference Entities (which will be considered to be Singapore Entities):

[•]

(h) the following Reference Entities (which will be considered to be Subordinated European Insurance Entities)

[•]

(i) the following Reference Entities (which will be considered to be Latin American Entities):

[•]

(j) the following Reference Entities (which will be considered to be Asian Sovereigns Entities):

[•]

(k) the following Reference Entities (which will be considered to be European Emerging Markets and Middle Eastern Sovereigns Entities):

[•]

(l) the following Reference Entities (which will be considered to be Japanese Sovereigns Entities):

[•]

(m) the following Reference Entities (which will be considered to be Australian Sovereigns Entities):

[•]

(n) the following Reference Entities (which will be considered to be New Zealand Sovereigns Entities):

[•]

(o) the following Reference Entities (which will be considered to be Singapore Sovereigns Entities):

[•]

(p) the following Reference Entities (which will be considered to be Latin American Sovereigns Entities):

[•]

(q) the following Reference Entities (which will be considered to be Western European Sovereigns Entities):

[•]

Each such European Reference Entity, US Reference Entity, Asian Reference Entity, Japanese Reference Entity, Australian Reference Entity, New Zealand Reference Entities, Singapore Reference Entity, Subordinated European Insurance Entity, Latin American Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns

Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular "Entity Type" in Schedule A. References in this Confirmation to "Standard Terms" means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.

Reference Price:

[•] per cent.

Reference Obligation(s):

The obligation(s) if any identified as such in respect of a Reference Entity in Schedule A. The parties agree that such obligation may be used as, *inter alia*, an Obligation or Valuation Obligation in respect of the relevant Reference Entity notwithstanding that the Primary Obligor of such obligation may not be the same entity as the applicable Reference Entity.

Substitution:

[Applicable] /[Not applicable].

All Guarantees:

In respect of a Reference Entity, "Applicable" or "Not Applicable" shall apply as specified in the applicable Standard Terms.

Credit Events:

In respect of a Reference Entity, the Credit Events specified in the applicable Standard Terms.

Obligation(s):

In respect of an Affected Reference Entity, the applicable obligations thereof shall be determined in accordance with Section 2.14 of the Credit Derivatives Definitions on the basis of the Obligation Category and the Obligation Characteristic(s) specified in the applicable Standard Terms.

Excluded Obligation(s):

None.

Condition to Settlement:

Credit Event Notice

Notifying Party: Buyer.

Notice of Publicly Available Information: Applicable.

The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the "Affected Reference Entity" as defined in the Preamble).

Event Determination Date

Section 1.8(ii) of the Credit Derivatives Definitions shall be amended by replacing:

1. the reference to "Buyer or Seller" in sub-paragraph (A)(I)(1) with a reference to "Buyer";
2. the reference to "Buyer" or "Seller" in sub-paragraph(A)(II)(1) with a reference to "Buyer";
3. the reference to "Buyer or Seller" in sub-paragraph(B)(I)(1) with a reference to "Buyer"; and
4. the reference to "Buyer" or "Seller" in sub-paragraph(B)(II)(1) with a reference to "Buyer".

Notice Delivery Period

[Section 1.9 of the Credit Derivatives Definitions shall be deleted and replaced by the following:

**"Notice Delivery Period"** means the period from and including the Effective Date and including the Scheduled Termination Date"]

Exercise Amount

Where an Event Determination Date occurs and Restructuring is the only Credit Event specified in the Credit Event Notice, the Exercise Amount shall mean the amount specified by the Notifying Party in accordance with Section 3.9 of the Credit Derivatives Definitions and the provisions contained in this Confirmation

With respect to (a) any Credit Event other than Restructuring or (b) any Credit Event in respect of any Reference Entity to which Section 3.9 of the Credit Derivatives Definitions shall not apply as stated in the applicable Standard Terms, the Exercise Amount shall be equal to the Floating Rate Payer Calculation Amount (and not a portion thereof).

**2. Fixed Payments:**

Not Applicable.

**3. Floating Payments:**

Floating Rate Payer

Floating Rate Payer Calculation Amount:

[Seller]

With respect to any day, [•], as adjusted, from time to time, in accordance with Section 2.2 and Section 3.9 of Credit Derivatives Definitions and section 5 and 6 of this Confirmation.

**4. Settlement Terms:**

Settlement Method:

Cash Settlement.

Settlement Currency:

[•]

**Terms relating to Cash Settlement:**

Valuation Business Day:

A day on which commercial banks and foreign exchange markets are generally open to settle payments in [•] is open for business.

Cash Settlement Amount:

An amount calculated on the Calculation Date by the Calculation Agent equal to the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio. Although a Cash Settlement Amount will be calculated, no party shall be obliged to make any payment or delivery in respect thereof.

Cash Settlement Date:

3 Business Days after the Calculation Date.

Valuation Date:

Multiple Valuation Dates: the First Valuation Date shall be the 60th Valuation Business Day following the Event Determination Date. Thereafter, there shall be two further Valuation Dates, each commencing on the 5th Valuation Business Day immediately following a quotation being obtained or be deemed to be obtained in respect of the immediately preceding Valuation Date.

In respect of any Valuation Date, on or about 11.00 a.m. in the Quotation City applicable to the relevant Valuation Obligation, except that, if such Valuation Time is earlier than 9 am (Brussels time), it shall be postponed to 9 am Brussels time and if such Valuation Time is later than 4 pm (Brussels time), it shall be advanced to 4 pm (Brussels time).

Quotation City:

Means the city as reasonably determined by the Calculation Agent as being the city where the principal trading market is located for the relevant Valuation Obligations which form part of the Valuation Portfolio. For the avoidance of doubt, the Quotation City need not be the city located in the country of incorporation of the Reference Entity. The Calculation Agent will notify the Buyer

and the Seller of the Quotation City five Valuation Business Days prior to the first Valuation Date.

**Quotation Method:**

**Determination of Quotations:**

**Bid**

Section 7.7 (a) and (b) of the Credit Derivatives Definitions shall be deleted and replaced with the following:

- “(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day within three Valuation Business Days of a Valuation Date, the Calculation Agent shall attempt to obtain Full Quotations from five Dealers up to, and including, the earlier of the tenth Valuation Business Day following the relevant Valuation Date and the Valuation Business Day on which a Full Quotation and a Weighted Average Quotation or two Full Quotations were obtained on such Valuation Business Day
- (b) If the Calculation Agent is unable to obtain (i) at least two Full Quotations or (ii) one or more Full Quotation and a Weighted Average Quotations on the same Valuation Business Day on or prior to the tenth Valuation Business Day following the applicable Valuation Date, then the Calculation Agent shall attempt to obtain at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation from the eleventh Valuation Business Day following the relevant Valuation Date to, and including, the earlier of the fifteenth Valuation Business Day following the relevant Valuation Date and Valuation Business Day on which it obtains such a Full Quotation, Weighted Average Quotation or Partial Weighted Average Quotation

If the Calculation Agent is unable to obtain on the same Valuation Business Day at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation by the fifteenth Valuation Business Day following the relevant Valuation Date, the Calculation Agent will exercise its reasonable discretion into determining a Quotation which shall apply to such Valuation Date, acting in good faith and in a commercially reasonable manner.

If, on or prior to the tenth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains on the same Valuation Business Day, at least two Full Quotations, or one or more Full Quotation and a Weighted Average Quotations, such Full Quotations or such Full Quotations and such Weighted Average Quotation shall be considered as Quotations.

If, after the tenth Valuation Business Day following the applicable Valuation Date, but on or prior to the fifteenth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least one Full Quotation or a Weighted Average Quotation or a Partial Weighted Average Quotation, such Full Quotations or such Weighted Average Quotation or such Partial Weighted Average Quotation shall be considered as a Quotation.”

**Quotations:**

Exclude Accrued Interest

**Dealers:**

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, each Dealer shall be a dealer, or a principal affiliate thereof, in obligations of the type of the Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, or in single name credit derivative

transactions referencing the relevant Reference Entity, as identified by its Identification Number and its legal name, selected by the Calculation Agent from the following list, together with any additional dealers or principal affiliates thereof that the parties may from time to time agree in relation to a particular Valuation Obligation: *[Dealers to be confirmed]*

Bank of Montreal, London Branch

Barclays Bank PLC

Citibank International plc

Merrill Lynch International

HSBC Bank USA N.A., New York Branch (*where the reference entity is a U.S. company*)

HSBC Bank plc (*where the reference entity is not a U.S. company*)

Bank of America Derivatives

Goldman Sachs International

Deutsche Bank AG, London Branch

Morgan Stanley Credit Products

Credit Suisse International

UBS Limited

The Royal Bank of Scotland plc

Nordea Bank Danmark AS

IXIS Corporate and Investment Bank

Crédit Agricole Corporate and Investment Bank

WestLB AG

J.P. Morgan Chase Bank N.A. (*where the reference entity is a U.S. company*)

J.P. Morgan Chase Bank N.A., London Branch (*where the reference entity is not a U.S. company*)

Société Générale

BNP Paribas, London Branch

Commerzbank AG

ABN AMRO Bank N.V., London Branch

Bayerische Hypo-und Vereinsbank AG

CIBC World Markets plc

**provided that** if one of the Dealers from the above list ceases or has ceased to exist or ceases to be an active Dealer in obligations of the type for which Quotations are to be obtained or a bankruptcy occurs with respect to any Dealer then the Calculation Agent shall select a substitute Dealer (who is a dealer in obligations of the type for which Quotations are to be obtained) and notify the Buyer and the Seller of such selection. A substitute Dealer must meet the requirements set out in the first sentence of the definition of "Dealer" set out in Section 7.15 of the Credit Derivatives Definitions and shall not be an Affiliate of the Buyer. A Dealer selected by the Calculation Agent from the list above shall not be

	affiliated with any other Dealer selected by the Calculation Agent from the list above. The above list is not exhaustive and may be amended in the relevant Final Terms
Quotation Amount:	With respect to any Valuation Obligation, one third of the related Valuation Obligation Balance, rounded up to the nearest denomination of the relevant Valuation Obligation.
Calculation Date:	The Valuation Business Day on which the last Final Price is determined in respect of all Valuation Obligation(s) in the Valuation Portfolio.
Valuation Obligation Loss Amount:	Means, with respect to a Valuation Obligation in respect of which a Final Price has been calculated, the greater of:
	<ol style="list-style-type: none"> <li>1 (Reference Price - Final Price) multiplied by the relevant Valuation Obligation Balance (converted if necessary to the Settlement Currency using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner); and</li> <li>2 zero</li> </ol>
Final Price:	With respect to each Valuation Obligation in the Valuation Portfolio, the price of such Valuation Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method.
Valuation Portfolio:	Means a portfolio of one or more Valuation Obligations in respect of which the sum of the related Valuation Obligation Balances (converted if necessary to the Settlement Currency using the exchange rate determined on the Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner) is equal to the Floating Rate Payer Calculation Amount and selected by the Calculation Agent on or before the day that falls 5 Valuation Business Days prior to the first Valuation Date (the date on which such notification occurs, the <b>“Notification Date”</b> ). The Calculation Agent may amend the Valuation Portfolio at any point up to, and including, the fifth Valuation Business Day prior to the first Valuation Date.
Valuation Obligation Balance:	With respect to a Valuation Obligation, an amount in the currency of denomination of that Valuation Obligation (the <b>“Valuation Obligation Currency”</b> ) specified as such by the Calculation Agent to the Noteholders on the Notification Date (determined by the Calculation Agent on the Notification Date acting in good faith and in a commercially reasonable manner).
Valuation Method:	Average Highest
Weighted Average Quotation:	In accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an outstanding balance of as large a size as available but less than the Quotation Amount that in the aggregate are equal to or greater than the Quotation Amount.
Partial Weighted Average Quotation:	In accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation of as large a size as available but with an outstanding principal balance less than the Quotation Amount. If the sum of outstanding principal balance (as the case may be) with respect to which such quotations are obtained is less than the

Quotation Amount, then the quotations with respect to such shortfall shall be deemed to be a firm quotation of zero.

Valuation Obligations:

In respect of an Affected Reference Entity, a valuation obligation determined in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Valuation Obligation Category and Valuation Obligation Characteristics specified in the applicable Standard Terms.

For the purposes of Article VII of the Credit Derivatives Definitions, references to “Reference Obligation” shall be deemed to be references to the relevant Valuation Obligations.

## 5. Successor Provisions:

Succession Event

(1) Section 2.2(a) of the Credit Derivatives Definitions is amended as follows

- (a) the words “for the entire Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words “of the Reference Entity”;
- (b) the words “New Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words “new Notional Credit Default Swap”;
- (c) the words “Credit Derivative Transaction” shall be deleted from Section 2.2(a)(v); and replaced with the words “Notional Credit Default Swap”;

(2) Section 2.2(d) of the Credit Derivatives Definitions is replaced in its entirety with the following:

“(d) Where:

- (i) a Reference Obligation has been specified with respect to a Reference Entity;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the provisions of Section 2.30 with respect to each such Successor.”

(3) Section 2.2(e) shall be replaced in its entirety by the following:

“Where, pursuant to Section 2.2(a) above, more than one Successor has been identified in relation to a particular Reference Entity, the Notional Credit Default Swap to which such Succession Event relates shall be divided into the same number of Notional Credit Default Swaps as the number of Successors (each a “**new Notional Credit Default Swap**”). Each such new Notional Credit Default Swap will include one of the Successors together with all the other Reference Entities that were not subject to the Succession Event. The Floating Rate Payer Calculation Amount in respect thereof shall be equal to the Floating Rate Payer Calculation Amount of the Original Notional Credit Default Swap divided by the number of Successors. The Reference Entity Type of each Successor with respect to each new Notional Credit Default Swap shall be the same as the Reference Entity Type of

the Reference Entity to which such Succession Event relates.” All other terms and conditions of the original Notional Credit Default Swap will be replicated in each new Notional Credit Default Swap except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original Notional Credit Default Swap in the new Notional Credit Default Swap (considered in aggregate).

Treatment of certain Succession Events

Where any Reference Entity (the “**Surviving Reference Entity**”) (other than the 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 through the application of Section 2.2(a) of the Credit Derivatives Definitions, and Substitution is not applicable pursuant to this Confirmation, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

No duplication:

Where the effect of the Successor Provisions would be to specify a Reference Entity more than once with respect to a single Notional Credit Default Swap, that Reference Entity shall be deemed to be specified once only for the purposes of that Notional Credit Default Swap.

## 6. Partial Exercise Event:

Partial Exercise Event:

[Restructuring.]

Section 3.9 of the Credit Derivative Definitions shall [not] apply.

## 7. Calculation Agent Merger:

Calculation Agent Merger:

Section 2.31 of the Credit Derivatives Definitions shall apply to this Transaction, **provided that** each reference to ‘Seller’ in this Section shall be deemed to be a reference to the ‘Calculation Agent’.

## 8. Additional Provisions

The following amendments shall be made to the Credit Derivatives Definitions:

(a) The terms Valuation Obligations, Valuation Obligation Characteristics and Valuation Obligation Category shall have the same meaning given to “Deliverable Obligations”, “Deliverable Obligation Characteristics” and “Deliverable Obligation Category” in the Credit Derivatives Definitions (including, without limitation, Sections 2.19, 2.20 and 2.21).

(b) Where applicable:

(I) any references to a “Delivery” shall be disregarded for the purposes of this Notional Credit Default Swap;

(II) each reference in the Credit Derivatives Definitions to a “Delivery Date” shall be deemed to be a reference to the date of selection of the relevant Valuation Obligation, except that the words “the Delivery Date or applicable Valuation Date, as the case may be” shall be replaced in the two places where they appear in Section 8.7(b)(i) with the words “the applicable Valuation Date”; and

(III) each reference in the Credit Derivatives Definitions to “Physical Settlement Date” shall be deemed to be a reference to the date of selection of the relevant Valuation Obligation.

(c) Section 2.32 of the Credit Derivatives Definitions shall be amended by:

(I) deleting Section 2.32(a) in its entirety and replacing it by the following:

“If “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” is specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Buyer, then a Valuation

Obligation may only be specified if it (1) is a Fully Transferable Obligation and (2) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.”; and

(II) deleting the second paragraph of Section 2.32(b) and adding the following:

“For the purposes of the determining whether a Valuation Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the first Valuation Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer.”

(d) Section 2.33 of the Credit Derivatives Definitions shall be amended as follows:

(I) Section 2.33(a) shall be deleted in its entirety and replaced by the following:

“If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Buyer, then a Valuation Obligation may only be specified 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.”;

(II) Section 2.33(b)(i) shall be deleted; and

(III) the reference to the “Delivery Date” in Section 2.33(b)(ii) shall be deemed to be a reference to the first Valuation Date.

(e) Section 1.12(a) (iii) of the Credit Derivatives Definitions is amended by replacing each reference to “the Scheduled Termination Date” by a reference to “the close of business on the third Business Day prior to the Scheduled Termination Date”.

## SCHEDULE A

<b>Reference Entity:</b> [Name]	<b>Reference Obligation:</b> Primary Obligor: [•] Guarantor: [•] Maturity: [•] Coupon: [•] CUSIP/ISIN: [•]	<b>Entity Type:</b> [European Corporate North American Corporate Asian Corporate Japanese Corporate Australian Corporate New Zealand Corporate Singapore Corporate Subordinated European Insurance Corporate Emerging European Corporate LPN Emerging European Corporate Latin America Corporate B Latin America Corporate BL Asian Sovereigns European Emerging Markets and Middle Eastern Sovereigns Japanese Sovereigns Australian Sovereigns New Zealand Sovereigns Singapore Sovereigns Latin American Sovereigns Western European Sovereigns]
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**SCHEDULE B**  
**STANDARD TERMS**

The standard terms relating to each Entity Type are set out in Part 5E.

## **PART 5D: CASH SETTLED OR AUCTION SETTLED CREDIT-LINKED NOTES WITH A STATIC PORTFOLIO OF REFERENCE ENTITIES AS UNDERLYING**

The terms and conditions applicable to Credit-Linked Notes with a static portfolio of reference entities as underlying 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 “**CLN Tranche 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 CLN Tranche Conditions set out below, the CLN Tranche Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the CLN Tranche Conditions and (ii) the Final Terms, the Final Terms shall prevail.

### **CLN Tranche Conditions**

The following amendments shall be made to the Principal Conditions:

#### *A. Redemption in whole or in part upon the occurrence of a Credit Event*

Condition 5(k) shall be deleted in its entirety and replaced with the following:

"(i) If a Credit Event has occurred and if the Conditions to Settlement are satisfied in the Notice Delivery Period with respect to the Notional Credit Default Swap (or all Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event), each Credit-Linked Note will be redeemed by the relevant Issuer on the Auction Settlement Date (if "Auction Settlement" is specified in the applicable Final Terms) or the Cash Settlement Date (if "Cash Settlement" is specified in the applicable Final Terms or if "Cash Settlement" is the applicable Fallback Settlement Method) at an amount equal to the aggregate Auction Redemption Amounts or the aggregate Cash Redemption Amounts (as the case may be) in respect of all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Credit-Linked Notes, rounded in accordance with Condition 15 (*Rounding*) of the Principal Conditions. Following such redemption, 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 the reduction in the aggregate Principal Amount Outstanding prior to such redemption by an amount equal to the relevant Exercise Amount(s).

(ii) Where there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event where either (x) "Restructuring Maturity Limited and Fully Transferable Obligation Applicable" or (y) "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" applies, if a Credit Event has occurred and if the Conditions to Settlement are satisfied in the Notice Delivery Period with respect to one or more of such Notional Credit Default Swaps but not all of them, each Credit-Linked Note will be redeemed by the relevant Issuer on the Auction Settlement Date (if "Auction Settlement is selected in the applicable Final Terms) or the Cash Settlement Date (if "Cash Settlement" is selected in the applicable Final Terms or if "Cash Settlement" is the applicable Fallback Settlement Method) at an amount equal to the aggregate Auction Redemption Amounts or the aggregate Cash Redemption Amounts (as the case may be) for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Credit-Linked Notes, rounded in accordance with Condition 15 (*Rounding*) of the Principal Conditions. Following such redemption, 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 the reduction in the aggregate Principal Amount Outstanding by an amount equal to the relevant Exercise Amount(s).

(iii) If at any time from the occurrence of an Event Determination Date but prior to the Calculation Date in respect of a Credit Event, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve matters described in the Credit Event Resolution Notice are satisfied in accordance with the Rules, the redemption of the Credit-Linked Notes in accordance with this Condition 5(k) shall be suspended until such time that ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in the Credit Event Resolution Notice or (b) not to determine such matters (the "**Public Announcement**"). During this suspension period, the relevant Issuer shall not have any obligation to take any action to redeem the Credit-Linked Notes. Once ISDA has made the Public Announcement, the redemption of the Credit-Linked Notes pursuant to this Condition 5(k) shall resume on the Business Day following the date of such Public Announcement.

(iv) If "Auction Settlement" is specified in the applicable Final Terms, without prejudice to sub-paragraphs (i) and (ii) above, if (A) an Auction Cancellation Date occurs, (B) a No Auction Announcement Date occurs, (C) ISDA has publicly announced that the

relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event, (D) an Event Determination Date has occurred, and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date or (E) an Event Determination Date was determined pursuant to paragraph (b)(ii)(B) of the definition of "Event Determination Date" (as amended by CDS Confirmation 4), the FTD Cash Conditions shall apply to any Credit-Linked Notes redeemed in accordance with the Fallback Settlement Method and Auction Settlement shall not apply to the redemption of the Credit-Linked Notes.

(v) If "Auction Settlement" is specified in the applicable Final Terms and if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms and the Calculation Agent determines in respect of a Partial Exercise Event that a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of "No Auction Announcement Date", the Calculation Agent may elect, in its sole and absolute discretion (including with reference to any hedging transactions entered into by the relevant Issuer in respect of the Credit-Linked Notes), to deliver a Notice to Exercise Movement Option to the relevant Issuer at any time on or prior to the Movement Option Cut-off Date. If a Notice to Exercise Movement Option is so delivered, then the Credit-Linked Notes shall be redeemed on the Auction Settlement Date at their Auction Redemption Amount, for which purposes the Auction Cash Settlement Date and the Auction Settlement Amount shall be determined by reference to the relevant Parallel Auction identified by the Calculation Agent in the Notice to Exercise Movement Option in accordance with the definition of "Movement Option". If a Notice to Exercise Movement Option is delivered by the Calculation Agent, all references in these FTD Auction Conditions to "Auction", "Auction Settlement Terms", "Auction Cancellation Date", "Auction Final Price Determination Date" and "Auction Settlement Date" shall be deemed to be references to the "Parallel Auction", "Parallel Auction Settlement Terms", "Parallel Auction Cancellation Date", "Parallel Auction Final Price Determination Date" and "Parallel Auction Settlement Date" and the terms of these FTD Auction Conditions shall be construed accordingly.

(vi) Payment by the relevant Issuer of amounts pursuant to Condition 5(k)(i), Condition 5(k)(ii), Condition 5(k)(iv) and Condition 5(k)(v) (as the case may be) to the Noteholders shall discharge all of the relevant Issuer's obligations to the Noteholders in respect of the Redemption Portion of the Credit-Linked Notes.

For the purposes of this Condition 5(k):

**"Auction Redemption Amount"** means an amount calculated by the Calculation Agent on the Auction Final Price Determination Date in respect of each Notional Credit Default Swap and each Reference Entity in respect of which the Conditions to Settlement have been satisfied in accordance with the following formula:

$$A = B - C + D$$

where:

A means the Auction Redemption Amount;

B means the Reference Entity Notional Amount or the Exercise Amount (as the case may be) in respect of the relevant Reference Entity and the relevant Notional Credit Default Swap.

C means the Auction Settlement Amount calculated in respect of the relevant Reference Entity and the relevant Notional Credit Default Swap; and

D means the Accruals calculated in respect of the relevant Reference Entity and the relevant Notional Credit Default Swap.

**"Auction Settlement Amount"** means an amount calculated on the Auction Final Price Determination Date by the Calculation Agent equal to the greater of (a)(i) the relevant Reference Entity Notional Amount or the relevant Exercise Amount (as the case may be) multiplied by (ii) an amount, expressed as a percentage, equal to (A) the Reference Price minus (B) the Auction Final Price and (b) zero.

**"Cash Redemption Amount"** means an amount calculated by the Calculation Agent on the Calculation Date in respect of each Notional Credit Default Swap and each Reference Entity in respect of which the Conditions to Settlement have been satisfied in accordance with the following formula:

$$E = B - F + D$$

where:

E means the Cash Redemption Amount;

B means the Reference Entity Notional Amount or the Exercise Amount (as the case may be) in respect of the relevant Reference Entity and the relevant Notional Credit Default Swap.

F means the Cash Settlement Amount calculated in respect of the relevant Reference Entity and the relevant Notional Credit Default Swap;

D means the Accruals calculated in respect of the relevant Reference Entity and the relevant Notional Credit Default Swap.

**"Cash Settlement Amount"** means , in respect of any Reference Entity in respect of which the Conditions to Settlement have been satisfied, an amount equal to the Realised Incurred Tranche Loss Amount.

**"Unwind Amount"** means an amount as reasonably determined by the Calculation Agent in its sole discretion, on the Auction Final Price Determination Date or the Calculation Date (as the case may be) representing any reasonable expenses and costs to the relevant Issuer, the Guarantor and/or any affiliate of the relevant Issuer or Guarantor of unwinding any underlying and/or related hedging and/or funding arrangements (including, but not limited to, taking into consideration the obligation of the relevant Issuer to make payments of interest under the Credit-Linked Notes and the cost to the relevant Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the Auction Final Price Determination Date or the Calculation Date, as the case may be).

**"Accruals"** means an amount of interest determined on the Auction Final Price Determination Date or the Calculation Date (as the case may be) by the Calculation Agent in respect of the relevant Notional Credit Default Swap by multiplying the product of the Reference Entity Notional Amount or Exercise Amount (as the case maybe) of such Notional Credit Default Swap less the Auction Settlement Amount or the Cash Settlement Amount (as the case may be) determined thereunder and the Accrual Interest Rate by the number of days in the period from, and excluding the Event Determination Date to, but including, the Auction Final Price Determination Date or the Calculation Date (as the case may be) divided by 360.

The **"Accrual Interest Rate"** shall be calculated by the Calculation Agent as if ISDA Determination had been elected for the purposes of paragraph 16 of the applicable Final Terms, where the Floating Rate Option was EUR-EONIA-OIS-COMPOUND, the Designated Maturity, the Calculation Period was the period from, and excluding, the relevant Event Determination Date to, but including, the Termination Date and the Reset Date was the relevant Event Determination Date.

**"Redemption Portion"** means, on any date, the sum of the Reference Entity Notional Amounts and/or Exercise Amount in respect of each Notional Credit Default Swap where the Conditions to Settlement have been satisfied on or prior to such date

Terms not otherwise defined shall have the meaning given to them in CDS Confirmation 4, incorporated into these CLN Tranche Conditions"

#### B. *Overpayments*

A new Condition 5(l) shall be added as follows:

"If at any time payments of interest or principal are paid to Noteholders in circumstances where such amounts (i) should not have been paid pursuant to the Conditions, the CLN Tranche Conditions and the applicable Final Terms and (ii) was paid as a result of the relevant Issuer not having notified the Fiscal Agent in sufficient time that such payments were not to be made (an **"Overpayment"**), then any subsequent amounts due to Noteholders shall be reduced to account for such Overpayment (plus any accrued interest thereon) as determined by the Calculation Agent in its sole discretion."

### *C. Modifications to the Credit-Linked Conditions*

The following shall be added as a new Condition 5(m):

"If the relevant Issuer adheres to any protocol published by ISDA after the Issue Date that set out alternative settlement or valuation methods in relation to a Reference Entity (a "**Protocol**") then the Calculation Agent may make any adjustments to the FTD Cash Conditions, FTD Physical Conditions, FTD Auction Conditions and/or the CLN Tranche Conditions (including to any notional credit default swaps incorporated therein) as it deems appropriate to reflect some or all of the relevant settlement, valuation and other provisions of such Protocol. These may include, without limitation, adjustments in relation to the determination of any Cash Settlement Amount or any Final Price or determining that Cash Settlement rather than Physical Settlement shall apply and vice versa. Nothing in this Condition 5(m) shall be taken as requiring the relevant Issuer to follow the terms of any Protocol"

### *D. No redemption for taxation reasons*

The following text shall be added to Condition 5(b) under the paragraph beginning "If, as a result of any amendment to":

"Notwithstanding the above, Condition 5(b) shall not apply to any Credit-Linked Note. The relevant Issuer will not pay any additional amount in the event of any amendment to or any changes in taxation law."

### *E. Calculation of Redemption Amount on an Event of Default on Credit-Linked Notes*

The following text shall be inserted below sub-paragraph (ii) of the definition of "Permitted Reorganisation" in Condition 9(a):

"For the purposes of this Condition 9(a) and any Credit-Linked Note, "**Redemption Amount**" means an amount determined by the Calculation Agent in its sole and absolute discretion to be the fair market value of the Credit-Linked Note immediately prior to the occurrence of an Event of Default, less any reasonable expenses and costs to the relevant Issuer, the Guarantor and/or any affiliate of the relevant Issuer or Guarantor of unwinding any underlying and/or related hedging and/or funding arrangements (including, but not limited to, taking into consideration the obligation of the relevant Issuer to make payments of interest under the Credit-Linked Notes and the cost to the relevant Issuer or the Guarantor of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the date on which the Credit-Linked Notes are to be redeemed as a result of such Event of Default). This Redemption Amount may be less than the Specified Denomination of each Credit-Linked Note."

For the purpose of this Condition 9(a), the Calculation Agent shall act as an independent expert and not as an agent for the relevant Issuer or the Noteholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the relevant Issuer, the Agents and the Noteholders. The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith."

If Part 5D is shown as being applicable in paragraph 38 of the relevant Final Terms, then the CLN Tranche Conditions will incorporate the notional credit default swap confirmation 4 mentioned below ("**CDS Confirmation 4**"). The relevant amounts, dates, terms and information of the CDS Confirmation 4 will be completed in the relevant Final Terms.

### **CDS Confirmation 4**

The purpose of this confirmation and any schedules hereto (this "**Confirmation**") is to confirm the terms and conditions of the notional credit default swap deemed to be entered into between two notional counterparties ("**Seller**" and "**Buyer**") on the Trade Date specified below and is not an actual transaction (the "**Notional Credit Default Swap**") for the purposes of which the Issuer shall be deemed to be the Buyer.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the following supplements (i) the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions; (ii) the March 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions; (iii) the 2009 ISDA Credit Derivatives Determinations Committees,

Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions; and (iv) as further supplemented, should at any time the Calculation Agent consider such to be applicable, by the Additional Provisions for Physically Settled Default Swaps — Monoline Insurer as Reference Entity, published on 21 January 2005 (the Monoline Supplement), (together, the “**Credit Derivatives Definitions**”), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

This Confirmation relates to the portfolio (the “**Reference Portfolio**”) comprising of a basket of Reference Entities. This Transaction contemplates that there may be more than one Credit Event and therefore the Conditions to Settlement may be satisfied with respect to more than one Reference Entity and accordingly there may be multiple Event Determination Dates, Auction Settlement Amounts and Auction Settlement Dates or Cash Settlement Amounts and Cash Settlement Dates and the Credit Derivatives Definitions (and in particular the definition of “Termination Date”) should, for the purposes of this Confirmation, be interpreted accordingly.

Any capitalised terms not defined in this Confirmation shall have the respective meanings ascribed to them in the relevant Final Terms and in the Agency Agreement relating to the Programme, as the case may be. In the event of any inconsistency between those terms defined in the Final Terms or in the Agency Agreement, and those defined in this Confirmation, this Confirmation will govern.

This Confirmation relates to a notional credit default swap transaction deemed to have been entered into between the Buyer and the Seller and is not an actual transaction (“**Notional Credit Default Swap**”).

The terms of the Notional Credit Default Swap are as follows:

## 1. General Terms:

Trade Date:	[•]
Effective Date:	[•]
Scheduled Termination Date:	Scheduled Maturity Date under the Credit-Linked Notes
Termination Date:	The later of (i) the [Auction Settlement Date]/ [Cash Settlement Date] and (ii) the Extension Date.
Floating Rate Payer:	The Noteholders (the “ <b>Seller</b> ”).
Fixed Rate Payer:	The Issuer (the “ <b>Buyer</b> ”).
Calculation Agent:	Fortis Bank NV/SA.
Calculation Agent City:	Brussels
Business Days for all purposes other than the calculation and payment of the Interest Amounts and Calculation Agent City Business Day:	In respect of a Reference Entity, the Business Days specified in the Applicable Standard Terms (each such day being a “Transaction Day”). For all other purposes and unless otherwise provided for herein, [•] Settlement Day.”
Reference Portfolio:	The portfolio comprising each of the Reference Entities. The Calculation Agent will from time to time and in accordance with the Successor Provisions amend Appendix 1 to reflect all required changes in the Reference Portfolio.
Reference Entity:	The Reference Entities are composed of: (a) the following Reference Entities (which will be considered to be European Reference Entities): [•] (b) the following Reference Entities (which will be considered to be US Reference Entities):

[•]

(c) the following Reference Entities (which will be considered to be Asian Entities):

[•]

(d) the following Reference Entities (which will be considered to be Japanese Entities):

[•]

(e) the following Reference Entities (which will be considered to be Australian Entities):

[•]

(f) the following Reference Entities (which will be considered to be New Zealand Entities):

[•]

(g) the following Reference Entities (which will be considered to be Singapore Entities):

[•]

(h) the following Reference Entities (which will be considered to be Subordinated European Insurance Entities):

[•]

(i) the following Reference Entities (which will be considered to be Latin American Entities):

[•]

(j) the following Reference Entities (which will be considered to be Asian Sovereigns Entities):

[•]

(k) the following Reference Entities (which will be considered to be European Emerging Markets and Middle Eastern Sovereigns Entities):

[•]

(l) the following Reference Entities (which will be considered to be Japanese Sovereigns Entities):

[•]

(m) the following Reference Entities (which will be considered to be Australian Sovereigns Entities):

[•]

(n) the following Reference Entities (which will be considered to be New Zealand Sovereigns Entities):

[•]

(o) the following Reference Entities (which will be considered to be Singapore Sovereigns Entities):

[•]

(p) the following Reference Entities (which will be considered to be Latin American Sovereigns Entities):

[•]

(q) the following Reference Entities (which will be considered to be Western European Sovereigns Entities):

[•]

Each such European Reference Entity, US Reference Entity, Asian Reference Entity, Japanese Reference Entity, Australian Reference Entity, New Zealand Reference Entities, Singapore Reference Entity, Subordinated European Insurance Entity, Latin American Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular “Entity Type” in Schedule A. References in this Confirmation to “Standard Terms” means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.

As of any date, if [an Auction Settlement Date]/[a Cash Settlement Date] has occurred in respect of a Reference Entity, as identified by its Identification Number and its legal name, and the aggregate of the amounts in respect of which one or more Credit Event Notices have been sent has the effect of reducing the relevant Reference Entity Notional Amount to zero, then the relevant Reference Entity as identified by its Identification Number and its legal name (and the Reference Obligation which relates to that Reference Entity) shall, on the [Auction Settlement Date/Cash Settlement Date], be removed from the Reference Portfolio and it shall cease to be a Reference Entity (and, in the case of a Reference Obligation, cease to be a Reference Obligation), and the Reference Portfolio shall be deemed amended accordingly.

Reference Entity Notional Amount:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, the amount specified as such as relating to that Reference Entity and as set out against the name of such Reference Entity in Appendix 1 under the heading “Reference Entity Notional Amount” subject to adjustment as provided in Section 2.2 of the Credit Derivatives Definitions (as amended herein) and subject to any reductions, as provided in Section 3.9 of the Credit Derivatives Definitions ( as amended herein).

Reference Obligation(s):

With respect to a Reference Entity, as identified by its Identification Number and its legal name, the obligation, if any, specified as such as relating to that Reference Entity as set out against the name of such Reference Entity in Appendix 1 under the heading “Reference Obligation”, and any Substitute Reference Obligation, **provided that** any Reference Obligation or Substitute Reference Obligation shall not be a Reference Obligation unless:

- (b) it falls within the Valuation Obligation Category and satisfies the Valuation Obligation Characteristics applicable to that Reference Entity as at the Effective Date; and
- (c) it ranks at least *pari passu* with obligations of such Reference Entity having the relevant seniority with respect to such Reference Entity.

Credit Event Observation End Date:

The earlier to occur of:

- (a) the second Business Day prior to the Scheduled Termination Date; and
- (b) the day on which the sum of all prior Cash Settlement Amounts (if any), is greater than or equal to the Original Tranche Notional Amount.

Notice Delivery Period End Date:

The earlier to occur of:

- (a) the second Business Day prior to the Scheduled Termination Date; and
- (b) the day on which the sum of all prior Cash Settlement Amounts (if any), is greater than or equal to the Original Tranche Notional Amount.

Reference Entity Type:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, the type of such Reference Entity, being either corporate or sovereign as set out against the name of such Reference Entity in Appendix 1 under the heading "Reference Entity Type".

Merger of Reference Entity and Seller:

In the event that (i) the Seller consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or (ii) a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to the Seller, or (iii) the Seller and a Reference Entity become Affiliates, then, such Reference Entity shall be deemed to be removed from the Reference Portfolio.

## 2. Fixed Payments

Not applicable.

## 3. Floating Amounts

Conditions to Settlement:

Credit Event Notice

Notifying Party: Buyer

Notice of Publicly Available Information: Applicable.

Specified Number: Two.

Subject to Section 3.9 of the Credit Derivatives Definitions (as amended), the Conditions to Settlement may be satisfied more than once in relation to the Reference Portfolio but only once in relation to each Reference Entity, as identified by its Identification Number and its legal name.

Event Determination Date:

Section 1.8(ii) of the Credit Derivatives Definitions shall be amended by replacing:

1. the reference to "Buyer or Seller" in sub-paragraph (A)(I)(1) with a reference to "Buyer";
2. the reference to "Buyer" or "Seller" in sub-paragraph(A)(II)(1)

with a reference to "Buyer";

3. the reference to "Buyer or Seller" in sub-paragraph(B)(I)(1) with a reference to "Buyer"; and

4. the reference to "Buyer" or "Seller" in sub-paragraph(B)(II)(1) with a reference to "Buyer".

Credit Events:

Subject to extension for any Potential Failure to Pay or Potential Repudiation/Moratorium, as applicable, a Credit Event may occur with respect to each Reference Entity, as identified by its Identification Number and its legal name, on any date during the Credit Event Observation Period determined with respect to such Reference Entity.

Credit Event Observation Period:

With respect to each Reference Entity, as identified by its Identification Number and its legal name, the period from and including the relevant Credit Event Backstop Date, to, and including the relevant Credit Event Observation End Date.

#### 4. Settlement Terms

Settlement Method

[Auction Settlement]/[Cash Settlement]

Settlement Currency

[•]

Fallback Settlement Method

Cash Settlement [*Only applicable if Auction Settlement is selected as the Settlement Method*]

*The terms in relation to Cash Settlement will only apply if the Cash Settlement is the applicable Settlement Method or if the Fallback Settlement Method is applicable.*

Valuation Business Day:

(i) Any day on which commercial banks and foreign exchange markets are generally open to settle payments in Luxembourg, Brussels, London, New York and (ii) with respect to each Reference Entity as identified by its Identification Number and its legal name, any day on which commercial banks and foreign exchange markets are generally open to settle payments in any other cities specified as relating to such Reference Entity and as set out against the name of such Reference Entity in Appendix 1 to this Confirmation, under the heading "Valuation Business Day" and on which TARGET 2 is operating (such day, a "**Supplementary Valuation Business Day**"). For the purposes of this Confirmation, references to "Business Day" or "Business Days" in Article VII of the Credit Derivatives Definitions will be deemed to be references to "Valuation Business Day" or "Valuation Business Days".

Cash Settlement Date:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, the Incurred Tranche Loss Impact Date.

Delta Amount:

With respect to any Reference Entity, as identified by its Identification Number and its legal name, the amount provided in the relevant Credit Event Notice. The Delta Amount shall not be higher than either the relevant Reference Entity Notional Amount or the Exercise Amount, as the case may be.

Delta:

With respect to any Reference Entity, as identified by its Identification Number and its legal name, the Delta Amount divided by the Reference Entity Notional Amount or by the Exercise Amount, as the case may be, and as specified in the Credit Event Notice.

Valuation Portfolio:

With respect to a Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, a portfolio of one or more Valuation Obligations in respect of which the sum of the related Valuation Obligation Balances (converted if necessary to the Settlement Currency using the exchange rate determined on the Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner) is equal to the Delta Amount, such Valuation Portfolio as selected by the Buyer, and notified (in writing or by telephone) to the Seller on or before the day that falls 5 Business Days prior to the first Valuation Date (the date on which such notification occurs, the “Notification Date”)

The Buyer may notify the Seller that the Buyer is changing one or more Valuation Obligations to be valued or the detailed description thereof or one or more Valuation Obligation Balances, but each such notice must be effective on or prior to the fifth Business Day prior to the first Valuation Date. The date on which such new notice is effective shall be deemed to replace the previously determined Notification Date.

Valuation Obligation Balance:

With respect to a Valuation Obligation in a Valuation Portfolio, an amount in the currency of denomination of that Valuation Obligation specified as such by the Calculation Agent to the Noteholders on each Notification Date (determined by the Calculation Agent on each Notification Date acting in good faith and in a commercially reasonable manner).

Valuation Obligations:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, any obligation selected by Buyer **provided that** such obligation must be:

- (a) an obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if the relevant Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) or, if All Guarantees is specified as applicable to the relevant Reference Entity in Appendix 1, as provider of any Qualifying Guarantee):
  - (i) described by the Valuation Obligation Category applicable to such Reference Entity and, subject to Section 2.21(c) of the Credit Derivatives Definitions, having each of the Valuation Obligation Characteristics applicable to such Reference Entity, in each case as of the day that falls 5 Business Days prior to the first Valuation Date; and
  - (ii) that satisfies the criteria set out in Section 2.15(a)(i) to (iii) of the Credit Derivatives Definitions and, if applicable, Section 2.32 or Section 2.33 of the Credit Derivatives Definitions;
- (b) subject to the second paragraph of Section 2.20(b)(i) of the Credit Derivatives Definitions, a Reference Obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, unless specified in Appendix 1 as an Excluded Valuation Obligation;

- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Valuation Obligation (but excluding any Excluded Valuation Obligation) that satisfies the criteria set out in Section 2.15(c)(i) to (iii) of the Credit Derivatives Definitions; and
- (d) any other obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, specified as such in Appendix 1 with respect to such Reference Entity.

For the avoidance of doubt, Section 2.21 of the Credit Derivatives Definitions shall apply for the purposes of determining whether an obligation is described by the relevant Valuation Obligation Category and has each of the relevant Valuation Obligation Characteristics.

For the purposes of Article VII of the Credit Derivatives Definitions, references to "Reference Obligation" shall be deemed to be references to the relevant Valuation Obligations.

**Valuation Obligation Loss Amount:**

With respect to a Valuation Obligation in the Valuation Portfolio in respect of which a Final Price has been calculated, the greater of:

- (a) (Reference Price - Final Price) multiplied by the relevant Valuation Obligation Balance, (such resulting amount converted if necessary to the Settlement Currency using the exchange rate determined on the Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner); and

- (b) zero

**Final Price:**

With respect to each Valuation Obligation in the Valuation Portfolio, the price of such Valuation Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method.

**Valuation Time:**

Means, on or about 11.00 a.m. in the Quotation City applicable to the relevant Valuation Obligation, except that, if such time is earlier than 9.00 a.m. Brussels time, it shall be postponed to 9.00 a.m. Brussels time, and if such time is later than 4.00 p.m. Brussels time, it shall be advanced to 4.00 p.m. Brussels time.

**Quotation City:**

Means the city as reasonably determined by the Calculation Agent as being the city where the principal trading market is located for the relevant Valuation Obligation. The Quotation City need not be a city located in the country of incorporation of the relevant Reference Entity, as identified by its Identification Number and its legal name. The Calculation Agent will notify the Seller of the Quotation City on the Notification Date.

**Full Quotation:**

Means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) equal to or greater than the Quotation Amount.

**Weighted Average Quotation:**

Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the

Valuation Time, to the extent reasonably practicable, each for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) of as large a size as available but less than the Quotation Amount (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 equal to or greater than the Quotation Amount.

Partial Weighted Average Quotation:

Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) of as large a size as available but equal to or less than the Quotation Amount (but of a size at least equal to the Minimum Quotation Amount or, if quotations of a size at least equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount). If the sum of the outstanding principal balance or Due and Payable Amount (as the case may be) with respect to which such quotations are obtained is less than the Quotation Amount, then the quotation with respect to such shortfall shall be deemed to be a firm quotation of zero.

Dealer:

The Calculation Agent will select five (5) dealers (each, a “Dealer”) for the purposes of determining each Quotation.

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, each Dealer shall be a dealer, or a principal affiliate thereof, in obligations of the type of the Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, or in single name credit derivative transactions referencing the relevant Reference Entity, as identified by its Identification Number and its legal name, selected by the Calculation Agent from the following list, together with any additional dealers or principal affiliates thereof that the parties may from time to time agree in relation to a particular Valuation Obligation:

Bank of Montreal, London Branch

Barclays Bank PLC

Citibank International plc

Merrill Lynch International

HSBC Bank USA N.A., New York Branch (*where the reference entity is a U.S. company*)

HSBC Bank plc (*where the reference entity is not a U.S. company*)

Bank of America Derivatives

Goldman Sachs International

Deutsche Bank AG, London Branch

Morgan Stanley Credit Products

Credit Suisse International

UBS Limited

The Royal Bank of Scotland plc  
Nordea Bank Danmark AS  
IXIS Corporate and Investment Bank  
Crédit Agricole Corporate and Investment Bank  
WestLB AG, London Branch  
J.P. Morgan Chase Bank N.A. (*where the reference entity is a U.S. company*)  
J.P. Morgan Chase Bank N.A., London Branch (*where the reference entity is not a U.S. company*)  
Société Générale  
BNP Paribas, London Branch  
Commerzbank AG  
ABN AMRO Bank N.V., London Branch  
Bayerische Hypo- und Vereinsbank AG  
CIBC World Markets plc

**provided that** if one of the Dealers from the above list ceases or has ceased to exist or ceases to be an active Dealer in obligations of the type for which Quotations are to be obtained or a bankruptcy occurs with respect to any Dealer then the Calculation Agent shall select a substitute Dealer (who is a dealer in obligations of the type for which Quotations are to be obtained) and notify the Buyer and the Seller of such selection. A substitute Dealer must meet the requirements set out in the first sentence of the definition of "Dealer" set out in Section 7.15 of the Credit Derivatives Definitions and shall not be an Affiliate of the Buyer. A Dealer selected by the Calculation Agent from the list above shall not be affiliated with any other Dealer selected by the Calculation Agent from the list above. The above list is not exhaustive and may be amended in the relevant Final Terms

Original Tranche Notional Amount:

Means [•]

Outstanding Tranche Notional Amount:

Means, at any time on any date, the greater of:

- (a) the Original Tranche Notional Amount less the sum of all Cash Settlement Amounts determined under this Confirmation at such time and in respect of which the Incurred Tranche Loss Impact Date has occurred on or prior to such date (if any); and
- (b) zero.

Temporary Outstanding Tranche Notional Amount:

Means, at any time on any date, the greater of:

- (a) the Original Tranche Notional Amount less the sum of:
  - (i) all Cash Settlement Amounts determined under this Confirmation at such time and in respect of which the Incurred Tranche Loss Impact Date has occurred on or prior to such date (if any); and
  - (ii) all Temporary Tranche Loss Amounts determined under this Confirmation at such time on or prior to such date (if any); and

(b) zero

Incurred Tranche Loss Impact Date:

With respect to a Reference Entity as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied, the third Business Day following the relevant Calculation Date

If any day is an Incurred Tranche Loss Impact Date with respect to more than one Reference Entity, as identified by its Identification Number and its legal name, and for the purpose of determining the Cash Settlement Amount only, the Aggregate Realised Loss Amount and the Outstanding Tranche Notional Amount (and any other relevant terms) with respect to each Reference Entity shall be calculated in the order of delivery of the relevant Credit Event Notices or if any of the relevant Credit Event Notices are delivered at the same time, in a sequential order determined by the Calculation Agent

For the purpose of making certain determinations under this Confirmation, and for the avoidance of doubt, an Incurred Tranche Loss Impact Date will be deemed to occur notwithstanding the fact that the relevant Cash Settlement Amount may be zero.

Cash Settlement Amount:

Means, in respect of any Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount equal to the Realised Incurred Tranche Loss Amount.

Realised Incurred Tranche Loss Amount:

Means, on any date from, and including, the relevant Incurred Tranche Loss Impact Date, with respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount in the Settlement Currency, calculated by the Calculation Agent and equal to the lowest of:

- (a) the Realised Loss Amount with respect to such Reference Entity;
- (b) the greater of:
  - (i) the Aggregate Realised Loss Amount (including the Realised Loss Amount with respect to such Reference Entity) less the Subordination Amount; and
  - (ii) zero; and
- (c) the then Outstanding Tranche Notional Amount (determined without regard to the Realised Loss Amount with respect to such Reference Entity).

Realised Loss Amount:

Means, on any date, with respect to a Reference Entity as identified by its as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied, an amount calculated by the Calculation Agent on the Calculation Date equal to the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio with respect to such Reference Entity and divided by the Delta.

Aggregate Realised Loss Amount:

Means, on any date, the sum of the Realised Loss Amounts for each Reference Entity as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied and the Incurred Tranche Loss

Impact Date has occurred.

Temporary Tranche Loss Amount:

Means, on any date, with respect to a Reference Entity as identified by its Identification Number and its legal name, and in respect of which the Conditions to Settlement have been satisfied, an amount, in the Settlement Currency, calculated by the Calculation Agent and equal to the lowest of:

- (a) the Temporary Loss Amount with respect to such Reference Entity (including the Temporary Loss Amount and the Realised Loss Amount with respect to such Reference Entity);
- (b) the greater of:
  - (i) the Aggregate Loss Amount less the Subordination Amount; and
  - (ii) zero; and
- (c) the then Temporary Outstanding Tranche Notional Amount (determined without regard to the Temporary Loss Amount with respect to such Reference Entity)

The Temporary Tranche Loss Amount with respect to a Reference Entity, as identified by its Identification Number and its legal name, and in respect of which the Conditions to Settlement have been satisfied, is reduced to zero as of the Incurred Tranche Loss Impact Date in respect of such Reference Entity.

Aggregate Loss Amount:

Means, on any date, the sum of:

- (a) the Aggregate Realised Loss Amount; and
- (b) the Aggregate Temporary Loss Amount.

Aggregate Temporary Loss Amount:

Means, on any date, the sum of the Temporary Loss Amounts for each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied.

Temporary Loss Amount:

Means, on any date, with respect to each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount, in the Settlement Currency, calculated by the Calculation Agent and equal to:

- (a) if a Cash Settlement Amount has not been determined and the relevant Incurred Tranche Loss Impact Date has not occurred, the Reference Entity Notional Amount or the Exercise Amount, as the case may be; and
- (b) if a Cash Settlement Amount has been determined and the relevant Incurred Tranche Loss Impact Date has occurred, zero.

Subordination Amount:

Means [•]

Final Valuation Date:

Means, in respect of each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, the date on which the last Final Price is determined in respect of all Valuation Obligations in the Valuation Portfolio. There can only be one Final Valuation Date in respect of each Valuation Portfolio.

Calculation Date:

Means, with respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied: (a) if a Final Valuation Date exists for all the other Reference Entities in respect of which an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity, the Final Valuation Date of that Reference Entity; or (b) if a Final Valuation Date does not exist for all the other Reference Entities in respect of which an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity, the first date on which there exists a Final Valuation Date in respect of each other Reference Entity with respect to which an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity.

Valuation Date:

Multiple Valuation Dates: 60 Valuation Business Days and each 2 Valuation Business Days thereafter for a total number of Valuation Dates equal to the Valuation Date Number determined with respect to such Valuation Obligation in the Valuation Portfolio.

Weighted Average Highest:

Means the weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

Quotation Method:

Bid.

Quotation Amount:

With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation, an amount equal to the related Valuation Obligation Balance divided by the relevant Valuation Date Number, the result then rounded up to the nearest denomination of the relevant Valuation Obligation. The Quotation Amount in respect of any Valuation Obligation shall not be more than EUR 25,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation) and shall not be less than EUR 1,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation).

Minimum Quotation Amount:

With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation, an amount equal to the related Valuation Obligation Balance divided by the relevant Valuation Date Number, the result then rounded up to the nearest denomination of the relevant Valuation Obligation. The Minimum Quotation Amount in respect of any Valuation Obligation shall not be more than EUR 25,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation) and shall not be less than EUR 1,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation).

Valuation Date Number:

With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation:

(a) if the relevant Valuation Obligation Balance is less than or

equal to an amount equal to EUR 75,000,000, the Valuation Date Number is three; or

(b) if the relevant Valuation Obligation Balance is greater than EUR 75,000,000, the Valuation Date Number is the number equal to the relevant Valuation Obligation Balance divided by EUR 25,000,000 (the result being rounded up to the nearest integer).

Quotations:

Means, with respect to each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, each Full Quotation (if any), the Partial Weighted Average Quotation (if any) and the Weighted Average Quotation (if any) obtained and expressed as a percentage with respect to a Valuation Date in the manner set out in Section 7.7 of the Credit Derivatives Definitions **provided that** Section 7.7 (a) and (b) of the Credit Derivatives Definitions shall be deleted and replaced with the following:

“The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day (and if necessary, on each Valuation Business Day thereafter until the sixth Valuation Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five Dealers and, if two or more Full Quotations are not available, one or more Full Quotations and a Weighted Average Quotation.

If the Calculation Agent is unable to obtain (i) at least two Full Quotations or (ii) one or more Full Quotations and a Weighted Average Quotation on the same Valuation Business Day on or prior to the seventh Valuation Business Day following the applicable Valuation Date, then the Calculation Agent shall attempt to obtain at least one Full Quotation or a Weighted Average Quotation within an additional three Valuation Business Days.

If the Calculation Agent is unable to obtain one Full Quotation or a Weighted Average Quotation within an additional three Valuation Business Days, then the Calculation Agent will exercise its discretion and determine a Quotation in good faith and in a commercially reasonable manner.

If, on or prior to the sixth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least two Full Quotations or one or more Full Quotations and a Weighted Average Quotation, such Full Quotations (if any) and such Weighted Average Quotation (if any) shall be considered as Quotations.

If, after the sixth Valuation Business Day following the applicable Valuation Date, but on or prior to the ninth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least one Full Quotation or a Weighted Average Quotation, such Full Quotation (if any) or such Weighted Average Quotation (if any) shall be considered as Quotations.

If any Quotation comprised in any Full Quotation, Weighted Average Quotation or Partial Weighted Average Quotation is

obtained then there shall be added to each such Quotation a percentage reflecting all principal, interest and other payments and distributions of cash or other property to which a holder of a principal amount of the relevant Valuation Obligation equal to the principal amount in respect of which such Quotation was obtained would have received during the period from the Event Determination Date to the Valuation Business Day on which the Quotation was obtained.”

Quotations:

Exclude Accrued Interest

## 5. Notifications:

The Calculation Agent will inform the Buyer, the Seller and the Fiscal Agent in writing of:

- (a) the amount of any Temporary Loss Amount and any Realised Loss Amount in respect of a Reference Entity, as identified by its Identification Number and its legal name, as soon as reasonably practicable following the determination of such Temporary Loss Amount or such Realised Loss Amount, whether or not the Aggregate Loss Amount or the Aggregate Realised Loss Amount, respectively, is less than or equal to the Subordination Amount;
- (b) the amount of any Temporary Tranche Loss Amount greater than zero as soon as reasonably practicable following the determination of such Temporary Tranche Loss Amount; and
- (c) the amount of any Cash Settlement Amount greater than zero in respect of a Reference Entity as identified by its Identification Number and its legal name as soon as reasonably practicable following the determination of such Cash Settlement Amount.
- (d) any change in the Temporary Outstanding Tranche Notional Amount and in the Outstanding Tranche Notional Amount as soon as reasonably practicable following the determination of such change.

Any reference to the term “in writing” in the Credit Derivatives Definitions or in this Confirmation shall include by electronic mail.

## 6. Calculations:

- (a) The Calculation Agent shall, in addition to any obligations under Section 1.14 of the Credit Derivatives Definitions, perform such calculations and determinations and make such notifications as are required of it pursuant to this Confirmation.
- (b) The Buyer shall perform such calculations and determinations and make such notifications as are required of it pursuant to this Confirmation.

## 7. Complementary Provisions:

### (A) Valuation Obligations

For the purposes of this Confirmation and determining Valuation Obligations:

- (a) the references to “Delivery Date” or “Physical Settlement Date” where they appear in Sections 2.15 (Deliverable Obligation), 2.20 (Method for Determining Deliverable Obligations), 8.7 (Provisions Applicable to Convertible, Exchangeable and Accreting Obligations), 8.8 (Due and Payable Amount) of the Credit Derivatives Definitions or in any of the other provisions of the Credit Derivatives Definitions shall be deemed to be references to the Notification Date;
- (b) the reference in Section 2.15(a) and 2.15(c) (Deliverable Obligation) of the Credit Derivatives Definitions to “the outstanding principal balance or Due and Payable Amount being Delivered” shall be deemed to be reference to “the amount in respect of which Quotations are to be sought”;

- (c) subject to paragraphs 7(G) and (H) hereof, each reference in the Credit Derivatives Definitions to “a Deliverable Obligations” and “the Deliverable Obligation” shall be deemed to be references to “a Valuation Obligation” and “the Valuation Obligation” respectively, each reference to “Deliverable Obligation Category” shall be deemed to be a reference to “Valuation Obligation Category” and each reference to “Deliverable Obligation Characteristics” shall be deemed to be a reference to “Valuation Obligation Characteristics”;
- (d) each reference in Section 2.16 (Sovereign Restructured Deliverable Obligation) to “Deliverable” shall be deemed to be a reference to “Valuation” and the words “the related Confirmation” shall be deleted wherever they appear and replaced with “Appendix 1 with respect to such Reference Entity, as identified by its Identification Number and its legal name”; and
- (e) each reference in Section 2.18 (Excluded Deliverable Obligation) to “Deliverable” shall be deemed to be a reference to “Valuation”.

**(B) Section 1.9 Notice Delivery Period**

Section 1.9 Notice Delivery Period of the Credit Derivatives Definitions shall be deleted and replaced in its entirety by the following provision:

**“Section 1.9 Notice Delivery Period.** “Notice Delivery Period” means, with respect to a Reference Entity as identified by its Identification Number and its legal name, and a Credit Event, the period from and including the Effective Date to and including the Notice Delivery Period End Date.”

**(C) Section 1.11. Grace Period Extension Date**

Section 1.11 of the Credit Derivatives Definitions shall be amended by replacing references to “Scheduled Termination Date” with references to the “relevant Credit Event Observation End Date” and by replacing the words “the Grace Period Extension Date will be the Termination Date (even if a Failure to Pay occurs after the Scheduled Termination Date)” with the words “the Conditions to Settlement may not be satisfied for a Failure to Pay with respect to the relevant Reference Entity, as identified by its Identification Number and its legal name (even if a Failure to Pay occurs after the relevant Credit Event Observation End Date)”.

**(D) Section 1.12. Grace Period; Grace Period Business Day**

Section 1.12 of the Credit Derivatives Definitions shall be amended by replacing references to “Scheduled Termination Date” with references to the “relevant Credit Event Observation End Date”

**(E) Section 2.2. Provisions for Determining a Successor**

Section 2.2 of the Credit Derivatives Definitions shall be amended as follows:

- (a) the words “for the entire Credit Derivative Transaction” shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words “of the Reference Entity”;
- (b) the words “for a New Credit Derivative Transaction determined in accordance with the provisions of Section 2.2(e)” shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words “and the Reference Entity Notional Amount in respect of each such Successor will be”;
- (c) the words “and the Credit Derivative Transaction” shall be deleted from Section 2.2(a)(v);
- (d) Section 2.2(d) shall be amended by the deletion from sub-section (i) of the words “Credit Derivative Transaction” and their replacement with the words “Reference Entity”, and by the insertion in sub-section (iii) of the words “specified in relation to the relevant Reference Entity” between the words “Obligation” and “, a Substitute” and by the replacement of the words “Credit Derivative Transaction” with “Reference Entity” in the last line;
- (e) Section 2.2(e) shall be replaced in its entirety by the following:

“Where, pursuant to Section 2.2(a) above, one or more Successors have been identified in relation to a particular Reference Entity as identified by its Identification Number and its legal name,:

- (i) each such Successor will be a Reference Entity (a “**Successor Reference Entity**”) for the purposes of this Transaction (and, for the avoidance of doubt, the original Reference Entity shall cease to be a Reference Entity except where it is a Successor Reference Entity); and
- (ii) the Reference Entity Notional Amount in respect of each such Successor Reference Entity shall be the Reference Entity Notional Amount in respect of the original Reference Entity divided by the number of Successor Reference Entities.”; and

(f) a new Section 2.2(f) shall be inserted as follows:

“Where pursuant to Section 2.2(a) above, the Calculation Agent determines that a single entity would be a Reference Entity more than once, then it will be deemed to be a Reference Entity only once and the Reference Entity Notional Amount with respect to such Reference Entity will be the sum of the Reference Entity Notional Amounts (after the application of Section 2.2(e), if any, for the avoidance of doubt) otherwise applicable to it.”

#### **(F) Section 2.30. Substitute Reference Obligation**

Section 2.30 of the Credit Derivatives Definitions shall be deleted in its entirety and replaced by the following:

**“Section 2.30 Substitute Reference Obligation.** “**Substitute Reference Obligation**” means one or more obligations of a Reference Entity as identified by its Identification Number and its legal name, (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in respect of such Reference Entity as provider of any Qualifying Guarantee) that will replace the Reference Obligation set out against the name of such Reference Entity in Appendix 1 hereto, such obligation being identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that (i) such Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under such Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments); (B) such Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of the corresponding Reference Entity as identified by its Identification Number and its legal name, 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, such Reference Obligation is no longer an obligation of the corresponding Reference Entity as identified by its Identification Number and its legal name, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation (the “**Replaced Reference Obligation**”).
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations of a Replaced Reference Obligation shall be an Obligation that (i) ranks *pari passu* (or, if no such Obligation exists, then, at the Calculation Agent's option, an Obligation that ranks senior) in priority of payment with such Replaced Reference Obligation (with the ranking in priority of payment of such Replaced Reference Obligation being determined as of the later of (A) the relevant Entrance Date and (B) the date on which such Replaced 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 parties to this Transaction 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 with respect to the relevant 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 Replaced Reference Obligation.
- (c) For 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.”

## **(G) Section 2.32. Restructuring Maturity Limitation and Fully Transferable Obligation**

- (a) The first paragraph of Section 2.32 of the Credit Derivatives Definitions shall be deleted in its entirety and replaced by the following: “(a) If “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” is specified as applicable to a Reference Entity and “Restructuring” is the only Credit Event specified in a Credit Event Notice delivered by the Buyer in relation to such Reference Entity, then a Valuation Obligation can only be selected as a Valuation Obligation in the Valuation Portfolio for such Reference Entity if it is a Fully Transferable Obligation with a final maturity date not later than the Restructuring Maturity Limitation Date.”
- (b) The definition of “Fully Transferable Obligation” in Section 2.32 of the Credit Derivatives Definitions shall be deemed to mean a Valuation 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 Valuation Obligation other than Bonds. For purposes of determining whether a Valuation Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the relevant Notification Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent on behalf of the Buyer.
- (c) The second sentence of the first paragraph of Section 2.32 (b) of the Credit Derivatives Definitions shall be deemed to be read as follows:

“Any requirement that notification of transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.32 (b)”.
- (d) The final paragraph of Section 2.23 (b) of the Credit Derivatives Definitions shall be deemed to be read as follows:

“For purposes of determining whether a Valuation Obligation satisfies the requirements of the determination of Fully Transferable Obligation, such determination shall be made as of the relevant Notification Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent on behalf of the Buyer.”

## **(H) Section 2.33. Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation**

- (a) The first paragraph of Section 2.33 of the Credit Derivatives Definitions shall be deemed to be replaced in its entirety by the following: “(a) If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as applicable to a Reference Entity and “Restructuring” is the only Credit Event specified in a Credit Event Notice delivered by the Buyer in relation to such Reference Entity, then a Valuation Obligation can only be selected as a Valuation Obligation in the Valuation Portfolio for such Reference Entity if it is a Conditionally Transferable Obligation with a final maturity date not later than the Modified Restructuring Maturity Limitation Date.”
- (b) The definition of “Conditionally Transferable Obligation” in Section 2.33 of the Credit Derivatives Definitions shall be deemed to mean a Valuation 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 Valuation Obligation other than Bonds, **provided, however, that** a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity as identified by its Identification Number and its legal name, or the guarantor, if any, of a Valuation Obligation other than a Bond (or the consent of the relevant obligor if a Reference Entity as identified by its Identification Number and its legal name, is guaranteeing such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation **provided that** such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.33(b).

(c) Section 2.33 (b)(i) and (ii) of the Credit Derivatives Definitions shall be deleted and replaced with the following:

- “(i) Where Modified Restructuring Maturity Limitation under Section 2.33 as amended by this Confirmation, applies and a Valuation Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the fifth Business Day prior to the Valuation Date (in which case it shall be deemed to have been refused), the Buyer shall promptly notify the Seller of such refusal (or deemed refusal) and shall, on such date, select one or more other obligations that constitute Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, on such date.
- (ii) For purposes of determining whether a Valuation Obligation satisfies the requirements of the determination of Conditionally Transferable Obligation, such determination shall be made as of the relevant Notification Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer.”

#### **(I) Section 3.3. Credit Event Notice**

Section 3.3 of the Credit Derivatives Definitions shall be amended as follows:

- (a) references to “Scheduled Termination Date” will be deemed to be references to the “relevant Credit Event Observation End Date”; and
- (b) the last paragraph shall be deleted and replaced by the following: “A Credit Event Notice must contain (a) a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred (b) the Delta Amount and (c) the Delta. 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. A Credit Event Notice shall be subject to the requirements regarding notices set forth in Section 1.10 of the Credit Derivatives Definitions. A form of Credit Event Notice is set forth in Exhibit B.”

#### **(J) Section 3.9. Credit Event Notice After Restructuring**

Section 3.9 of the Credit Derivatives Definitions shall be deleted and replaced in its entirety by the following provision:

**“Section 3.9 Credit Event Notice After Restructuring.** Notwithstanding anything to the contrary in these Definitions, upon the occurrence of a Restructuring with respect to a Reference Entity as identified by its Identification Number and its legal name, during the Term of the Transaction for which "Restructuring Maturity Limitation and Fully Transferrable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified:

- (a) the Buyer may deliver multiple Credit Event Notices with respect to such Reference Entity, each such Credit Event Notice setting forth the amount of the Reference Entity Notional Amount for such Reference Entity to which such Credit Event Notice 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;
- (b) if the Buyer has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the then outstanding Reference Entity Notional Amount for such Reference Entity (after taking into account any previous Exercise Amounts in relation to such Reference Entity), upon satisfaction of the Conditions to Settlement with respect to the Credit Event specified in such Credit Event Notice, settlement will occur in accordance with the applicable Settlement Method or Fallback Settlement Method, as applicable, as if the Exercise Amount were the Reference Entity Notional Amount with respect to such Reference Entity, and upon satisfaction of such Conditions to Settlement, without prejudice to the foregoing provisions of this paragraph, the Reference Entity Notional Amount will be an amount equal to the Reference Entity Notional Amount outstanding prior to such Credit Event Notice (taking into account any previously specified Exercise Amount) minus the Exercise Amount to which the current Credit Event Notice relates;

- (c) the Exercise Amount in connection with any Credit Event Notice describing a Credit Event in relation to a Reference Entity as identified by its Identification Number and its legal name, other than a Restructuring must be equal to the then outstanding Reference Entity Notional Amount for such Reference Entity (and not a portion thereof); and
- (d) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be in the amount that is at least 1,000,000 units of the currency of the Reference Entity Notional Amount or an integral multiple thereof or the entire then Reference Entity Notional Amount.”

**(K) Section 4.6. Repudiation/Moratorium**

Section 4.6 of the Credit Derivatives Definitions shall be amended by:

- (a) replacing references in Section 4.6 (e) to “Scheduled Termination Date” with references to the “relevant Credit Event Observation End Date”; and
- (b) replacing in Section 4.6 (b) the words “the Repudiation/Moratorium Evaluation Date will be the Termination Date (even if a Repudiation/Moratorium occurs after the Scheduled Termination Date)” with the words “the Conditions to Settlement may not be satisfied for a Repudiation/Moratorium with respect to the relevant Reference Entity, as identified by its Identification Number and its legal name (even if a Repudiation/Moratorium occurs after the relevant Credit Event Observation End Date”).

**(L) Requirements to consult**

Notwithstanding any provision of the Credit Derivatives Definitions, the Calculation Agent shall not be required to consult with the Seller or the Buyer in relation to any determination or calculation made by the Calculation Agent, and such determination or calculation shall be binding in the absence of manifest error, negligence, wilful misconduct and fraud. For the avoidance of doubt, the words “after consultation with the parties” shall be disregarded throughout the Credit Derivatives Definitions.

**(M) Section 8**

For the purposes of this Confirmation, Section 8.1, 8.3, 8.4, 8.5, 8.6, 8.9, 8.10, 8.11, 8.12, 8.13 and 8.14 of the Credit Derivatives Definitions shall not be applicable.

**(N) Section 9 and Section 10**

For the purposes of this Confirmation, Section 9 and Section 10 of the Credit Derivatives Definitions shall not be applicable.

## **APPENDIX 1 REFERENCE PORTFOLIO**

The Reference Portfolio will be included in the relevant Final Terms.

Fortis Bank NV/SA has used its best efforts to verify the names of the Reference Entities and details of the Reference Obligations contained in the Reference Portfolio. Such information has been verified as at the Issue Date for each Reference Entity, by reference to publicly available information. Fortis Bank NV/SA has accurately reproduced these information. As far as Fortis Bank is aware and is able to ascertain from publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The relevant source(s) of the information will be mentioned in the relevant Final Terms. Publicly available information can be inaccurate or outdated, and as a result corrections to the details of the Reference Entities and Reference Obligations may be needed from time to time.

## **APPENDIX 2: STANDARD TERMS**

The standard terms relating to each Entity Type are set out in 5E

## PART 5E: STANDARD TERMS ADDED AS ANNEX OF EACH CDS CONFIRMATION

### ANNEX A

#### STANDARD TERMS FOR EUROPEAN CORPORATES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2 GBP: London JPY: London & Tokyo CHF: London & Zurich
All Guarantees	Applicable Bankruptcy
Credit Events	Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Borrowed Money Obligation Characteristics: None
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer
Physical Settlement Period	Exclude Accrued Interest 30 Business Days <i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>
Delivery Limitation	Applicable

## ANNEX B

### STANDARD TERMS FOR NORTH AMERICAN CORPORATES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2 GBP: London JPY: London & Tokyo CHF: London & Zurich
All Guarantees	Not Applicable
Credit Events	Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Borrowed Money Obligation Characteristics: None
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period	As per Section 8.6 of the Definitions capped at 30 Business Days

*(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)*

Delivery Limitation Not applicable

**ANNEX C**  
**STANDARD TERMS FOR ASIA CORPORATE ENTITIES**

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2	
All Guarantees	Applicable	
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: Applicable	
Obligation	Obligation Category: Bond or Loan Obligation Characteristics: Not Subordinated Not Sovereign Lender Not Domestic Currency Not Domestic Issuance Not Domestic Law	
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Sovereign Lender Not Domestic Law Not Contingent Not Domestic Issuance Assignable Loan Transferable Maximum Maturity 30 years Not Bearer Exclude Accrued Interest	
Physical Settlement Period	30 Business Days	
<i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>		
Delivery Limitation	Applicable	

**ANNEX D**  
**STANDARD TERMS FOR JAPAN CORPORATE ENTITIES**

Business Days	London, Tokyo If the Floating Rate Payer Calculation Amount is denominated in JPY: London, New York & Tokyo USD: London, New York & Tokyo EUR: London, New York, Tokyo & TARGET2
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable  Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. In all other cases USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
Obligation	Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable  Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. In all other cases, USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event  Multiple Holder Obligation: Not Applicable
Deliverable Obligations	Obligation Category: Borrowed Money Obligation Characteristics: Not Subordinated  Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer
Physical Settlement Period  <i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>	Exclude Accrued Interest 30 Business Days
Delivery Limitation	Applicable

## ANNEX E

### STANDARD TERMS FOR AUSTRALIA CORPORATE ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London, New York & Sydney AUD: London, New York & Sydney EUR: London, New York, TARGET2 & Sydney	
All Guarantees	Applicable	
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.	
	Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event	
Obligation	Multiple Holder Obligation: Applicable Obligation Category: Borrowed Money Obligation Characteristics: None	
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer Exclude Accrued Interest	
Physical Settlement Period	30 Business Days	

*(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)*

**ANNEX F**  
**STANDARD TERMS FOR NEW ZEALAND CORPORATE ENTITIES**

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London, New York & Auckland AUD: London, New York, Sydney & Auckland EUR: London, New York, TARGET2 & Auckland NZD: London, New York & Auckland
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
	Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Borrowed Money Obligation Characteristics: None
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period	30 Business Days <i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>
Delivery Limitation	Applicable

**ANNEX G**  
**STANDARD TERMS FOR SINGAPORE CORPORATE ENTITIES**

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London, New York & Singapore EUR: London, New York, TARGET2 & Singapore
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Bond or Loan Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currency & Domestic Currency Not Sovereign Lender Not Contingent Assignable Loan Transferable Maximum Maturity 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period	30 Business Days
<i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

## ANNEX H

### STANDARD TERMS FOR SUBORDINATED EUROPEAN INSURANCE CORPORATE ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London & TARGET2 GBP: London JPY: London & Tokyo CHF: London & Zurich
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Borrowed Money Obligation Characteristics: None
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period	30 Business Days

*(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)*

## ANNEX I

### STANDARD TERMS FOR LATIN AMERICA CORPORATE ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2	
All Guarantees	Applicable	
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: Not Applicable	
Obligation	Obligation Category: Bond Obligation Characteristics: Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance	
Deliverable Obligations	Deliverable Obligation Category: Bond Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer Exclude Accrued Interest	
Physical Settlement Period	As per Section 8.6 of the Definitions	
<i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>		
Delivery Limitation	Not Applicable	

## ANNEX J

### STANDARD TERMS FOR LATIN AMERICA CORPORATE BL ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Bond or Loan Obligation Characteristics: Not Subordinated Not Sovereign Lender Not Domestic Currency Not Domestic Law Not Domestic Issuance
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Sovereign Lender Not Domestic Law Not Contingent Not Domestic Issuance Assignable Loan Consent Required Loan Transferable Not Bearer Exclude Accrued Interest
Physical Settlement Period <i>(only relevant in case of CDS Confirmation 2)</i>	As per Section 8.6 of the Definitions
Delivery Limitation	Not Applicable

## ANNEX K

### STANDARD TERMS FOR EMERGING EUROPEAN CORPORATE LPN ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London, New York, & the principal financial city in the jurisdiction in which the principal place of business of the Reference Entity is located EUR: London, TARGET2, & the principal financial city in the jurisdiction in which the principal place of business of the Reference Entity is located
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: (i) Not Applicable with respect to Obligation Category "Bonds" (ii) Applicable with respect to Obligation Category "Loans"
Obligation	Obligation Category: Bond or Loan Obligation Characteristics: Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Domestic Issuance Not Contingent Transferable Not Bearer Assignable Loan Consent Required Loan Not Domestic Law
Physical Settlement Period <i>(only relevant in case of CDS Confirmation 2)</i>	Exclude Accrued Interest As per Section 8.6 of the Definitions
Delivery Limitation	Not Applicable
Additional provisions:	Additional Provisions for LPN Reference Entities (published on October 3, 2006).

## ANNEX L

### STANDARD TERMS FOR EMERGING EUROPEAN CORPORATE ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London, New York EUR: London, TARGET2
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. Multiple Holder Obligation: (i) Not Applicable with respect to Obligation Category “Bonds” (ii) Applicable with respect to Obligation Category “Loans”
Obligation	Obligation Category: Bond or Loan Obligation Characteristics: Not Subordinated Not Domestic Law Not Domestic Currency Not Domestic Issuance
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Domestic Issuance Not Contingent Transferable Not Bearer Assignable Loan Consent Required Loan Not Domestic Law Exclude Accrued Interest
Physical Settlement Period	As per Section 8.6 of the Definitions

*(only relevant in case of CDS Confirmation 2)*

Delivery Limitation Not Applicable

**ANNEX M**  
**STANDARD TERMS FOR ASIA SOVEREIGNS**

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2
All Guarantees	Applicable
Credit Events	Failure to Pay  Grace Period Extension: Not Applicable  Repudiation/Moratorium  Restructuring  Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable  Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable  Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Bond or Loan  Obligation Characteristics: Not Subordinated Not Sovereign Lender Not Domestic Currency Not Domestic Law Not Domestic Issuance
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan  Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Sovereign Lender Not Domestic Law Not Contingent Not Domestic Issuance Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer  Exclude Accrued Interest
Physical Settlement Period	30 Business Days.

*(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)*

## ANNEX N

### STANDARD TERMS FOR EMERGING EUROPEAN MARKETS AND MIDDLE EASTERN SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London & TARGET2 GBP: London	
All Guarantees	Applicable	
Credit Events	Failure to Pay  Grace Period Extension: Applicable  Obligation Acceleration  Repudiation/Moratorium  Restructuring  Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable  Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable  Multiple Holder Obligation: Not Applicable	
Obligation	Obligation Category: Bond  Obligation Characteristics: Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance	
Deliverable Obligations	Deliverable Obligation Category: Bond  Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Domestic Law Not Domestic Issuance Transferable Not Bearer  Exclude Accrued Interest	
Physical Settlement Period	As per Section 8.6 of the Definitions  <i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>	
Delivery Limitation	Not Applicable	

Additional Provisions:

If the Reference Entity is the Russian Federation, the “Additional Provisions for the Russian Federation” (published on August 13, 2004). If the Reference Entity is the Republic of Hungary, the “Additional Provisions for the Republic of Hungary” (published on February 14, 2005)

## ANNEX O

### STANDARD TERMS FOR JAPAN SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in JPY: London, New York & Tokyo USD: London, New York & Tokyo EUR: London, New York, Tokyo & TARGET2
All Guarantees	Applicable
Credit Events	Failure to Pay Grace Period Extension: Not Applicable  Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. In all other cases, USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay  Repudiation/Moratorium Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable  Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable  Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. In all other cases USD 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.  Multiple Holder Obligation: Not Applicable
Obligation	Obligation Category: Borrowed Money Obligation Characteristics: None
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Specified Currency: Standard Specified Currencies Not Contingent Consent Required Loan Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer  Exclude Accrued Interest
Physical Settlement Period	30 Business Days.

*(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)*

**ANNEX P**  
**STANDARD TERMS FOR AUSTRALIA SOVEREIGNS**

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London, New York & Sydney EUR: London, New York, Sydney & TARGET2	
All Guarantees	Applicable	
Credit Events	Failure to Pay  Grace Period Extension: Not Applicable  Repudiation/Moratorium  Restructuring  Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable  Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable  Multiple Holder Obligation: Applicable	
Obligation	Obligation Category: Borrowed Money  Obligation Characteristics: None	
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan  Deliverable Characteristics: Obligation Not Subordinated  Specified Currency: Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer  Exclude Accrued Interest	
Physical Settlement Period	30 Business Days.  <i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>	
Delivery Limitation	Applicable	

## ANNEX Q

### STANDARD TERMS FOR NEW ZEALAND SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London, New York & Auckland EUR: London, New York, Auckland & TARGET2
All Guarantees	Applicable
Credit Events	Failure to Pay Grace Period Extension: Not Applicable Repudiation/Moratorium Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Borrowed Money Obligation Characteristics: None
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Characteristics: Obligation Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period	30 Business Days.
<i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

**ANNEX R**  
**STANDARD TERMS FOR SINGAPORE SOVEREIGNS**

Business Days	If the Floating Rate Payer Calculation Amount is denominated in SGD: London, New York & Singapore USD: London, New York & Singapore EUR: London, New York, Singapore & TARGET2
All Guarantees	Applicable
Credit Events	Failure to Pay Grace Period Extension: Not Applicable Repudiation/Moratorium Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Bond or Loan Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender Not Contingent Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period	30 Business Days.

*(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)*

**ANNEX S**  
**STANDARD TERMS FOR LATIN AMERICA SOVEREIGNS**

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2
All Guarantees	Applicable
Credit Events	Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/Moratorium Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Multiple Holder Obligation: Not Applicable
Obligation	Obligation Category: Bond Obligation Characteristics: Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance Deliverable Obligations Deliverable Obligation Category: Bond Deliverable Obligation Characteristics: Not Subordinated Specified Currency: Standard Specified Currencies Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer Exclude Accrued Interest
Physical Settlement Period	As per section 8.6 of the Definitions.  <i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>
Delivery Limitation	Not Applicable

## ANNEX T

### STANDARD TERMS FOR WESTERN EUROPEAN SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London & TARGET2
All Guarantees	Applicable
Credit Events	Failure to Pay Grace Period Extension: Not Applicable Repudiation/Moratorium Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Multiple Holder Obligation: Applicable
Obligation	Obligation Category: Borrowed Money Obligation Characteristics: None
Deliverable Obligations	Deliverable Obligation Category: Bond or Loan Deliverable Obligation Characteristics: Specified Currency: Standard Specified Currencies Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period	30 Business Days.
<i>(only relevant in case of CDS Confirmation 2 or where "Physical Settlement" is the Fallback Settlement Method in CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

## **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 and Euroclear Nederland

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 and/or for Euroclear Nederland, (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, Clearstream, Luxembourg or Euroclear Nederland (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, Euroclear Nederland 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 (other than a Permanent Global Note deposited with Euroclear Nederland), 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 (other than a Permanent Global Note deposited with Euroclear Nederland) 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 (other than a Permanent Global Note deposited with Euroclear Nederland) 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](http://www.bourse.lu)) (in the case of Notes listed on the Official List and admitted to trading on the Luxembourg Regulated Market) and available from the registered office of Fortis Bank NV/SA (in the case of Notes admitted to listing and trading on the Belgian 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(f) 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 other than Global Notes deposited with Euroclear Nederland 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 2010 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. In the case of Notes deposited with Euroclear Nederland, the rights of Noteholders will be exercised in accordance with the Dutch Securities Giro Transfer Act (as amended) (*Wet op het giraal effecten-verkeer*).

(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 deposited with Euroclear Nederland**

Holders of beneficial interests in Notes deposited with or delivered to Euroclear Nederland shall not have the right to request delivery (uitlevering) of Definitive Notes under the Dutch Giro Transfer Act (*Wet giraal effectenverkeer*) other than as specified in the applicable Final Terms.

The following legend will appear on all Global Notes held in Euroclear Nederland:

"Notice: This Note is issued for deposit with Euroclear Nederland at Amsterdam, The Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved."

In the case of a Global Note deposited with Euroclear Nederland, the rights of Noteholders will be exercised in accordance with the Dutch Securities Giro Transfer Act (as amended) (*Wet giraal effectenverkeer*).

#### **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.

Fortis Bank is regulated by the Banking, Finance and Insurance Commission (CBFA).

### 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 33,900 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, i.e. Turkey and Poland, 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.

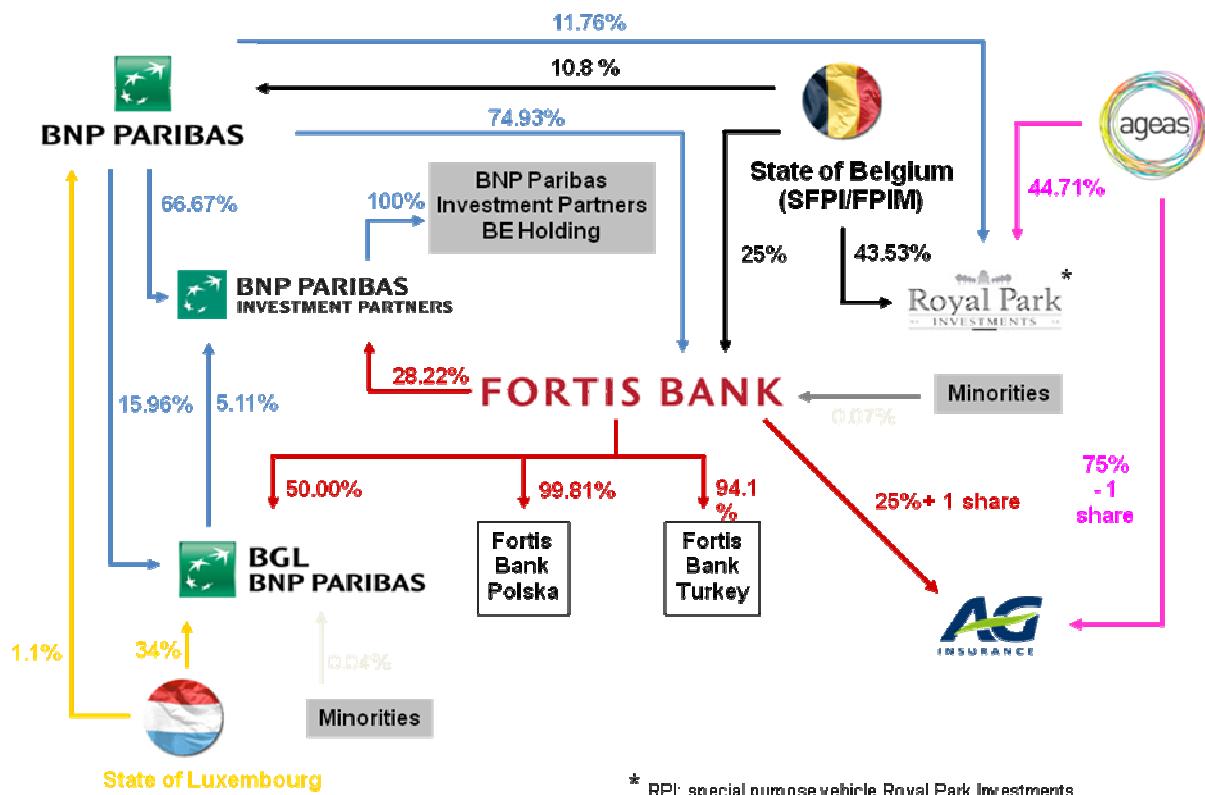
Fortis Bank also offers financial services to companies and institutional clients and provides integrated solutions to enterprise and entrepreneur. Corporate and Public Banking fulfils the financial needs of corporate and midcap enterprises, public entities and local authorities through an integrated international network of business centres. Fortis Investments, Fortis Bank's asset manager, has merged with BNP Paribas' Investment Solutions and has a global presence, with sales offices and dedicated investment centres in Europe, the US and Asia.

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. The BNP Paribas Group has one of the largest international banking networks, a presence in over 80 countries and more than 200,000 employees, including 163,000 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, Emerging Market Retail Banking, Personal Finance, Equipment Solutions, Investement Solutions and Corporate and Investment Banking.

At 31 December 2009, the BNP Paribas Group had consolidated assets of EUR 2,057.7 billion (compared to EUR 2,075.6 billion at 31 December 2008), consolidated loans and receivables due from customers of EUR 678.7 billion (compared to EUR

494.4 billion at 31 December 2008), consolidated items due to customers of EUR 604.9 billion (compared to EUR 414.0 billion at 31 December 2008) and shareholders' equity (BNP Paribas Group share including income for 2009) of EUR 69.5 billion (compared to EUR 53.2 billion at 31 December 2008). Pre-tax net income for the year ended December 31, 2009 was EUR 9.0 billion (compared to EUR 3.9 billion for the year ended 31 December 2008). Net income, BNP Paribas Group share, for the year ended 31 December 2009 was EUR 5.83 billion (compared to EUR 3.02 billion for the year ended 31 December 2008).

### 3. Organisational structure



### 4. The businesses of Fortis Bank

2009 was a year of major changes at Fortis Bank. The first months saw continuing uncertainty over the future ownership of the bank, amidst adverse market and economic conditions. In the same period the separation from the Dutch Fortis activities, Fortis Holding and AG Insurance, went ahead after the break-up of Fortis Group in October 2008. Nevertheless, the bank was able to provide service to its millions of customers throughout this period.

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), now owns 25 per cent. of Fortis Bank while the remaining 0.07 per cent. of shares are held by the public.

Under the new ownership, more than 1,000 successful integration projects were established under the leadership of an Integration Team, new governance procedures worked out and measures taken that have instilled stability in Fortis Bank and improved performance across its businesses.

Among the measures taken were:

- Establishment of new governance, with the appointment of executives, refined business segmentation and integrated risk management.
- Improvement in risk profile with reduced risk exposure (control of risk-weighted assets – credit and market risk), and liquidity risk and funding fully returned to normal.
- Restoration of the commercial franchise with a recovery in net customer asset inflows into retail networks, the stabilisation of assets under management, successful rebranding and commercial campaigns.
- Enforcement of operational efficiency measures.

Taken together, the measures are creating synergies that are currently expected to reach EUR 900 million annually by 2012, of which EUR 850 million refers to cost synergies driven by organisational, IT, facility and procurement, and human resources measures.

The second half of 2009 saw the launch of the reorganisation of Fortis Bank around four core activities: Retail & Private Banking, Corporate & Public Banking, Corporate & Investment Banking (CIB) and Investment Solutions. The rebranding of significant parts of the business in Belgium, Poland and other countries where Fortis Bank has a presence also went ahead in the second half of 2009. In the insurance sector, Fortis Bank entered into a strategic partnership with Belgian market leader AG Insurance, in which it holds a 25 per cent. stake.

In the course of 2010, the activities of CIB and Investment Solutions will be integrated with those of BNP Paribas CIB and Investment Solutions. Retail banking activities, including Retail & Private Banking and Corporate & Public Banking Belgium will constitute, for their part, a specific operational entity.

### **(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 in three countries (Belgium, Poland and Turkey) 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's extensive retail portfolio in Turkey is served by a comprehensive and tailored product offering. 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 44.0 billion in assets under management as at 31 December 2009<sup>1</sup>, the private bank is the largest private banking services provider in the Belgian market. The current reorganisation of the private bank is resulting in upgraded customer service and entails a new segmentation. Individual clients with assets of more than EUR 250,000 are now eligible for private banking services, creating a larger customer base. An expanded network of 35 private banking centres opening in 2010 and 2011 will give the 65,000 clients in this segment easy access to personalised services. Wealth Management caters to about 1,000 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.<sup>2</sup>
- In Belgium 1,023 branches operating under the BNP Paribas Fortis brand are complemented by 322 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 2,297 ATMs (cash withdrawals and deposits) plus 1,217 non-cash machines (banking and transfers) and 646 bank statement providers, online banking facilities (1.3 million users) and phone banking are linked up in the client relationship management (CRM) platform.

<sup>1</sup> Without the contribution of BNP Paribas Wealth Management Belgium

<sup>2</sup> Source: 2009 annual report of Fortis Bank

### *Key developments in 2009*

- Belgium:
  - Business momentum recovered in Retail & Private Banking in 2009 and the first quarter of 2010 in an economic environment which remains very competitive with low interest rates, aggressive price setting on savings products, changed client expectations and an abundance of niche banks.
  - The multi-channel distribution strategy has been further pursued, of which the Focus Project, launched in 2007, remained the linchpin. The Focus Project combines a segmented market approach with a performance-oriented sales organisation.
  - 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.
  - Freeing up time for the advisory role and maximisation of personal contacts to buttress trust and sustainable profitability.
  - Initiatives have been taken to restore customer confidence in Fortis Bank, e.g. the large-scale 'One billion euros' publicity campaign launched in Belgium on 1 June 2009 and aimed at the self-employed, professionals and businesses.
- Poland:

For Fortis Bank Poland, 2009 was dominated by the simultaneous legal and operational merger with Dominet Bank, which was successfully completed at the end of July 2009. The new bank's customers are able to execute basic banking transactions in each one of the 258 branches, 39 of which also offer personal banking products (e.g. savings and investment products) and solutions for small and medium enterprises. Corporate clients are served by eight business centres.
- Turkey:

Fortis Bank Turkey managed to keep its franchise in good shape throughout 2009. Fortis Bank Turkey continued to provide credit both to individuals and companies at a slower pace – in line with a decrease in demand – while closely monitoring the risk. Loan losses, albeit increasing, remained within acceptable levels. The market activities benefited from decreasing interest rates. Customer deposit gathering was a continued point of attention leading. A new credit card segmentation was launched with specific emphasis on affluent customers. Fortis Bank Turkey's bancassurance activities continued growing at a fast pace due to its partnership with several providers, including Fortis Insurance and Cardiff.

### **(ii) Investment Solutions**

Fortis Investments had assets under management of EUR 161 billion at year-end 2009, with approximately 65 per cent. of its revenues generated by third-party clients. It offers international investment solutions, while meeting the requirements and needs of local investors, both institutional and wholesale/retail.

Key developments in 2009 include:

- The outflow of assets slowed and the decrease in assets in the first half of the year was reversed in the second half of the year.
- Synergies from the consolidation of ABN AMRO Asset Management resulted in lower costs.
- The transition of all 256 former ABN AMRO funds and mandates (worth EUR 55 billion) onto the Fortis Investments platform was completed.
- New solutions for our clients – Fortis Investments launched 93 new funds and mandates.

- The start of the integration with BNP Paribas Investment Partners, which will offer clients some 60 specialist investment capabilities and enable us to provide local service to clients in 45 countries.
- Fortis Investments and BNP Paribas Investment Partners launched their first co-branded fund, specifically for clients in the Netherlands. The BNP Paribas Convertible Bond Fund raised EUR 82.9 million during its subscription period.

Fortis Investments changed its name to BNP Paribas Investment Partners in April 2010, following the legal merger with this entity. The new, combined organisation continues to develop, with the focus on the following four areas:

- A broad range of investment products and services, offered through a range of multi-expertise investment centres, specialist partners and local solution providers.
- Specialised global business lines focusing on specific client segments, supported by global and local marketing functions.
- Four regional divisions across the world's major business zones to provide momentum, co-ordination and solutions.
- Shared support functions throughout BNPP IP, to provide high standard and coherent global services to our clients.

### **(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: Global Markets, Structured Finance, Corporate Finance & Equity Capital Markets, Private Equity, Institutional Banking Group Europe, and Corporate & Transaction Banking Europe.

Global 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, Global 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 will operate 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 457 corporate clients and 34,100 midcap challenger in public banking (1,300 clients).
- High penetration rate among selected European customers (e.g. internationally active SMEs).

#### **5. Fortis Bank NV/SA 2009 Financial Results**

BNP Paribas Fortis delivered in 2009 a net underlying<sup>1</sup> profit of EUR 56 million. This positive result is driven by three factors: good commercial performance, strong capital markets, but unfortunately also a high level of impairments, reflecting the consequences of the economic downturn.

The consolidated net result for the legal entity Fortis Bank SA/NV is negative at minus EUR 665 million. The difference with the EUR 56 million mentioned above reflects exceptional, one-off elements, such as, on the positive side, the sale of a portfolio of structured credits to Royal Park Investments, and, on the negative side, the sale of non-core activities, the valuation of discontinued operations<sup>2</sup> and the one-time alignment of accounting policies and estimates with those applied by BNP Paribas.

Net interest income amounted to almost EUR 4.7 billion in 2009, up 18 per cent. in comparison to 2008, thanks to strong Global Markets activities and to a recovery of deposits as of the second quarter. 2009 saw customer deposits in Retail & Private Banking Belgium increase by EUR 8 billion or 14 per cent. compared to the end of 2008. From May to December 2009, the loans to individuals increased by 5 per cent. to EUR 47 billion. Loans to professionals and small enterprises increased with 4 per cent. (more than EUR 400 million) in that same period.

Net fee and commission income reached almost EUR 2 billion in 2009, down 10 per cent. compared to 2008, mainly driven by lower fees on securities brokerage and on assets under management (AUM). However, commission and fee income regained momentum as of the second quarter in line with the more favorable development of financial markets.

All other income amounted to EUR 0.8 billion in 2009, mainly supported by solid capital markets results and realized capital gains on investments.

Specific impairments on loans remained high at EUR 2.0 billion following the difficult economic environment leading to a deterioration of the loan portfolio especially in Real Estate, Commercial Banking, Leasing and Institutional Banking<sup>3</sup>.

Total expenses amounting to EUR 5.7 billion showed a substantial decrease in 2009 reflecting the reduction of the range of activities and tight cost containment. Intrinsic staff expenses decreased by 4.5 per cent. in 2009, reflecting mainly a lower average staff base (-5.5 per cent. worldwide) and a limited wage drift under the difficult economic situation.

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<sup>1</sup> The concept of underlying profit is unaudited.

<sup>2</sup> In order to describe the business evolutions which took place during the year 2009, these comments are based on the results including the discontinued operations.

<sup>3</sup> Reported impairments stand at EUR 4.2 billion. These also include the goodwill and intangible asset impairments, the valuation of discontinued operations and the one-time alignment of accounting policies and estimates with those applied by BNP Paribas

The liquidity position continued to improve in the course of 2009 thanks to confidence gradually returning to the markets and thanks to BNP Paribas gaining majority control and removing the uncertainty about the future of the bank. The ratio naked deposits/loans (excluding secured loans and deposits) improved from 88 per cent. at the end of 2008 to 98 per cent. at 31 December 2009.

Solvency remained strong. At 31 December 2009, Fortis Bank's Tier 1 capital ratio amounted to 12.3 per cent. compared to 10.7 per cent. on 31 December 2008. At 31 December 2009, the total capital ratio stood at 19 per cent., well above the regulatory required minimum of 8 per cent..

## 6. Governance

On 14 May 2009, Fortis Bank announced its new governance structure, nominating the new members of the Board of Directors and appointing the members of the Executive Board and Executive Committee.

### 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 17 members, of which 12 members are non-executive and 5 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
- Georges Chodron de Courcel, Vice-Chairman
- Dirk Boogmans
- Wim Coumans
- Gérard Lamarche
- Frédéric Lavenir
- Alain Papiasse
- Jean-Paul Pruvot
- Jean Stéphenne
- Luc Vansteenkiste
- Thierry Varène
- Serge Wibaut

Executive members, composing the Executive Board (Directiecomité/Comité de Direction):

- Jean-Laurent Bonnafé, Chairman of the Executive Board/Executive Committee and CEO
- Filip Dierckx, Vice-Chairman of the Executive Board/Executive Committee
- Camille Fohl
- Thomas Mennicken

- Eric Raynaud

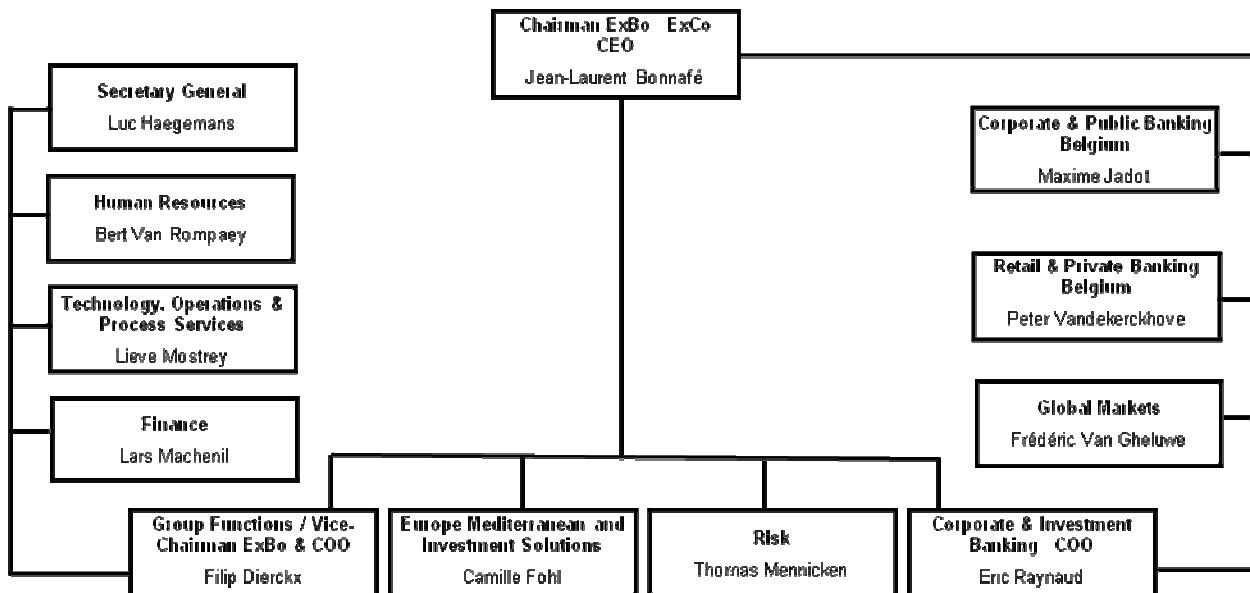
### **Executive Committee**

The Executive Committee consists of 12 members, the five 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.

- Jean-Laurent Bonnafé, 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, Cash Management, Factoring, and other services such as Legal, Tax, Secretary General and Communications)
- Camille Fohl, Head of Europe Mediterranean and Investment Solutions (specific responsibilities include International Retail Banking, Investments Solutions, in particular, Asset Management and Private Banking outside Belgium, and BGL-relations)
- Thomas Mennicken, Chief Risk Officer
- Eric Raynaud, Chief Operating Officer, Head of Corporate & Investment Banking (specific responsibilities include Global Markets, Coverage, Corporate Finance, Structured Finance, Corporate & Transaction Banking Europe and Trade Solutions)
- Bert Van Rompaey: Human Resources
- Maxime Jadot: Corporate & Public Banking Belgium
- Lars Machenil: Finance
- Lieve Mostrey: IT & Operations
- Peter Vandekerckhove: Retail & Private Banking Belgium
- Frédéric Van Gheluwe: Global Markets
- Luc Haegemans: Secretary General

# Fortis Bank governance

## Executive Committee (ExCo)



## Principal activities performed by members of the 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.
- Georges Chodron de Courcel: Alstom, Director; BNP Paribas, 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.
- Dirk Boogmans: DAB Management, Partner; Caesar Real Estate Fund, Chairman of the Board of Directors (via DAB); CFE, Advisor; Collibra, Director; Ethias Finance, Director; Global Lifting Partners, Director; Lijninvest, Director; NIBC, Advisor; Fonds de Pension du Secteur de la Construction, Member of the Financial Committee; P & V Verzekeringen, Director and President of the Audit committee (via DAB Management); QAT Group, President of the Consultative Advisors; THV Noriant, Chairman; Vinçotte, Director; Vivium, Director and President of the Audit committee (via DAB).
- Wim Coumans: De Post, Commissaire du gouvernement.
- Gérard Lamarche: Electrabel, Director; GDF Suez, Executive Vice President; GDF Suez Energie services, Director; Legrand, Director; Sociedad General de Aguas de Barcelona, Director; Suez Environnement Company, Director; Suez Environnement North America, Director; Suez-Tractebel, Director.
- 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.
- 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; Henogen, President of the Board of Directors; Ion Beam Applications, Director; Nanocyl, Director; Vesalius Biocapital I, President of the Board of Directors.
- Luc Vansteenkiste: Compagnie Mobilière & Foncière du Bois Sauvage, Director; Delhaize Group, Director ; LMCL, Partner; Rec-Hold, Director (via VEAN); Recticel, Director-délégué (via VEAN); Sioen Industries, Director (via LMCL); Spector Photo Group, Director (via VEAN); Telindus Group, President of the Board of Directors (via LMCL); Ter Beke, Director (via LMCL); VEAN, Vice-Director.
- Thierry Varène: BNP Paribas UK Holdings, Director; BNP Paribas, Member of the Executive Committee.
- Serge Wibaut: Gambit Financial Solutions, President of the Board of Directors; Reacfin, Director.
- Jean-Laurent Bonnafé: BNP Paribas, Director & Chief Operator Officer; BNP Paribas Personal Finance, Director; Banca Nazionale del Lavoro, Director; Carrefour, Director.
- Filip Dierckx: I.V.D. NV, Director; S.D. WORX for Society CVBA, Director; S.D. VZW, Director; S.D. Private Stichting, Director; S.D. Diensten NV, Director.
- Camille Fohl: FOGA, Active Partner.
- Thomas Mennicken: None.
- Eric Raynaud: None.
- Bert Van Rompaey: None.
- Maxime Jadot: BNP Paribas Lease Group France SA, Director; Bekaert NV, Director; Stichting Administratiekantoor NV Bekaert, Director; Finheuster NV, Director.
- Lars Machenil: None.
- Lieve Mostrey: SWIFT SCRL, Director.
- Peter Vandekerckhove: Finedit NV, Director; AG Insurance SA, Director.
- Frédéric Van Gheluwe: None.
- Luc Haegemans: FainFood NV, Director.

#### **Administrative, management, and supervisory bodies conflicts of interests**

Aside from the matter mentioned on pages 311-316 of the Fortis Bank Annual Report 2009 (incorporated by reference into the Base Prospectus), being the 'Indemnification of Directors' which was a decision of the Board of 21 January 2009, 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 Committee**

In order to fulfill its role and responsibilities efficiently, the Board of Directors has set up an Audit and Risk Committee ("ARC"). The role of the ARC 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 ARC shall monitor, review and make recommendations to the Board of Directors regarding audit and risk as described below.

### **Audit:**

- the integrity of financial statements and of any written, official, external communication relating to Fortis Bank financial performance. This includes the consistent application of accounting principles (and changes thereto) and the quality of internal control over financial reporting;
- the performance of the external audit process: the ARC 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 regarding their appointment or reappointment, mandate renewal and remuneration. The ARC follows up on questions or recommendations of the external auditors. The ARC also monitors the independence of external audit firms, including the review and approval of non-audit services provided to Fortis Bank;
- the performance of the internal audit process: the ARC 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 ARC identifies and acknowledges major risk areas such as investment risk, credit risk, market risk, liquidity risk and operational risk;
- the effectiveness of the Independent Control Functions. This includes overseeing the implementation and periodically reviewing the rules that govern the creation, composition and functioning of the Independent Control Functions at the level of Fortis Bank and its operating subsidiaries, taking into account specific laws and regulations applicable to the entities concerned and their relations with the ARC. The ARC concurs in the appointment or dismissal of the Compliance Officer.

The ARC 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 ARC shall have a casting vote. Members of the ARC 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 ARC, not only on an individual basis. In accordance with article 526bis, §2 of the Belgian companies code, at least one member of the ARC 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 ARC comply with this rule.

## **Corporate governance**

Fortis Bank complies with the Belgian corporate governance regime as laid down in the Belgian companies code ("Code des sociétés/Wetboek Venootschappen").

### **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 2009

## **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 2009.

### **(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 or will take place in the context of integrating certain activities of Fortis Bank NV/SA with certain activities of BNP Paribas.

The economic transfer date for the aforementioned transactions has been set at 1 January 2010. Closing of these integration transactions is highly probable to occur on 31 December 2010 the latest (depending on regulatory approvals and other organizational constraints in the various jurisdictions involved). Additional information on the transactions with BNP Paribas can be found in the 2009 Annual Report of Fortis Bank under the heading 'Information related to Article 524 of the Belgian Companies code' (pages 317 to 354).

## **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 2008 of Fortis Bank have been audited by PricewaterhouseCoopers Reviseurs d'Entreprises S.C.C.R.L., represented by Luc Discry, Partner, Woluwedal 18, B 1932 Sint-Stevens Woluwe, Brussels, and Klynveld Peat Marwick Goerdeler Reviseurs d'Entreprises S.C.R.L. Civile, represented by Olivier Macq, Partner, Avenue du Bourget 40, B 1130 Brussels, in accordance with the laws of Belgium. A qualified opinion on the consolidated financial statements, with explanatory paragraphs has been issued on 10 April 2009. The qualified opinion is incorporated by reference into this Base Prospectus. All are members of Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises.

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 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 2010.

### **13. Legal and arbitration proceedings**

Save as disclosed in this Base Prospectus and in particular under Note 49 on page 260 of the 2009 audited financial statements 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**

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 65, 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, Recueil Spécial des Sociétés et Associations” on 29 November 1986 (C Nr332) and amendments thereto were also published in the “Mémorial, Recueil Spécial des Sociétés et Associations”.

BP2F registered office is at 65, 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 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 2009.

##### *(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.
Jean Thill	Director of BP2F. Global Markets Director 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 debt issuance 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 65, 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, as amended, which BP2F is required to comply with, under Luxembourg company law, there is currently no legal corporate governance regime 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 2008 and 31 December 2009 shall be deemed to be incorporated by reference into and form part of this Base Prospectus.

The report of the independent auditor issued by KPMG Audit S.à r.l. (réviseur d'entreprises) on 17 April 2009 for the ended 31 December 2008 is included in the 2008 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 independent auditor issued by PricewaterhouseCoopers S.à r.l. (réviseur d'entreprises) on 22 March 2010 for the year 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 cash flow statements of BP2F for the years ended 31 December 2009 and 31 December 2008, the report by KPMG Audit S.à r.l. relating to the cash flow statement of BP2F for the year ended 31 December 2008 and the report by PricewaterhouseCoopers S.à r.l. relating to the cash flow statement of BP2F for the year ended 31 December 2009 shall also be deemed to be incorporated by reference into and form part of this Base Prospectus.

The 2008 and 2009 audited annual accounts of BP2F, the 2008 and 2009 cash flow statements of BP2F and the auditors reports on the cash flow statements of BP2F for the years ended 2008 and 2009 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 financial statements of BP2F for the year ended 31 December 2008 have been audited without qualification by KPMG Audit, S.à.r.l., 9, Allée Scheffer, L-2520 Luxembourg. No other information in this Base Prospectus has been audited by the auditor.

The financial statements 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. 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 2009.

### *(e) Interim and other financial information*

In or about September 2010 BP2F will publish unaudited interim financial statements for the six-months period ending 30 June 2010.

### *(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 2009.

**10. Statutory and independent auditors**

The financial statements of BP2F for the year ended 31 December 2008 have been audited without qualification by KPMG Audit, S.à r.l. (réviseur d'entreprises) 9, Allée Scheffer, L-2520 Luxembourg, who is a member of the Institut des Réviseurs d'Entreprises.

The financial statements 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.

**11. Additional information**

*(a) Share capital*

BP2F issued and authorised share capital at 31 December 2009 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 assets of Fortis Luxembourg;
- (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.

**12. Selected financial information**

(Extracted without material adjustment from the audited annual accounts of BP2F for the year ended 31 December 2009, which have been prepared in conformity with Luxembourg legal and regulatory requirements).

Balance sheet of BNP Paribas Fortis Funding (*in EUR*)

	31/12/2009 (EUR)	31/12/2008 (EUR)
<b>ASSETS</b>		
Fixed assets	5,034,360,838	6,337,083,503
Current Assets	484,819,581	986,516,444
Prepayments	137,991,179	171,567,958
	<b><u>5,657,171,598</u></b>	<b><u>7,529,407,435</u></b>
<b>LIABILITIES</b>		
Capital and reserves		
Subscribed capital	500,000	500,000
Reserves		
Legal reserve	50,000	50,000
Other reserves	2,331,200	1,964,300
Profit brought forward	26,356,050	22,828,486
Profit/Loss for the financial year	<b><u>9,350,538</u></b>	<b><u>18,894,463</u></b>
	<b><u>38,587,788</u></b>	<b><u>44,237,250</u></b>
Liabilities		
Non-convertible bonds		
becoming due and payable within one year	1,551,839,956	2,051,445,771
becoming due and payable after more than one year	3,839,505,053	5,112,398,575
Tax debts	3,329,940	7,675,137
Other debts	<b><u>122,042,368</u></b>	<b><u>165,844,132</u></b>
	<b><u>5,516,717,317</u></b>	<b><u>7,337,363,615</u></b>
Prepayments	<b><u>101,866,493</u></b>	<b><u>147,806,570</u></b>
	<b><u>5,657,171,598</u></b>	<b><u>7,529,407,435</u></b>

Income statement of BNP Paribas Fortis Funding (*in EUR*)

	31/12/2009 (EUR)	31/12/2008 (EUR)
<b>Charges</b>		
Other external charges	1,197,113	1,332,141
Staff costs	27,066	26,508
Interest payable and similar charges		
concerning affiliated undertakings	98,734,386	196,787,213
other interest payable and charges	291,144,981	409,069,770
Tax on profit	3,329,940	7,892,083
Other taxes not shown under the above items	8,435	15,688
Profit for the financial year	<b><u>9,350,538</u></b>	<b><u>18,894,463</u></b>
	<b><u>403,792,459</u></b>	<b><u>634,017,866</u></b>
<b>Income</b>		
Income from other transferable securities and from loans forming part of the fixed assets		
derived from affiliated undertakings	376,241,420	600,590,831
Other interest receivable and similar income		
derived from affiliated undertakings	16,750,688	20,210,226
other income	10,800,351	13,216,809

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403,792,459

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634,017,866

The above information for the years ended 31 December 2008 and 2009 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 31 December 2009. The audited and approved financial statements of BP2F for the years ended 31 December 2008 and 2009 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 the Fortis Bank in Belgium.

### **13. 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.

### **14. Third party information and statement by experts and declarations of any interest**

This section does not contain third party information or statements by experts.

### **15. 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 2010 between BNP Paribas Fortis Funding and Fortis Bank NV/SA (the “Issuers”), the Guarantor, BNP Paribas Securities Services, Luxembourg Branch and Citibank, N.A. 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]<sup>1</sup>] 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].*
- (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.<sup>2</sup>*

<sup>1</sup> Delete if the Guarantee is a Senior Subordinated Guarantee.

<sup>2</sup> Delete if the Guarantee is a Senior Guarantee.

<sup>3</sup> Delete if the Guarantee is a Senior Subordinated Guarantee.

*[(4) This Guarantee constitutes a direct, unconditional, 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 the 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.<sup>4</sup>*

*(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 is governed by, and shall be construed in accordance with, English law.]<sup>5</sup>*

*[(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 is governed by and shall be construed in accordance with the laws of Belgium.]<sup>6</sup>*

*In witness whereof the Guarantor has caused this Guarantee to be duly executed.*

*Dated as of the Issue Date*

*[EXECUTED as a deed by]<sup>7</sup>*

*FORTIS BANK NV/SA*

*[acting]<sup>8</sup>*

*By: \_\_\_\_\_*

*[Name]*

*[Title]*

*(duly authorised)*

<sup>4</sup> Delete if the Guarantee is a Senior Guarantee.

<sup>5</sup> Delete if the Guarantee is a Senior Subordinated Guarantee

<sup>6</sup> Delete if the Guarantee is a Senior Guarantee

<sup>7</sup> Delete if the Guarantee is a Senior Subordinated Guarantee

<sup>8</sup> Delete if the Guaranteee is a Senior Subordinated Guaranteee

## 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 2010 between BNP Paribas Fortis Funding and Fortis Bank NV/SA, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch and Citibank, N.A. 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 is governed by and shall be construed in accordance with the laws of Belgium.

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. plus additional local taxes.

Other rules may apply if the Notes are held in the course of 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 (15 per cent. from 1 July 2005 to 30 June 2008, 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 should apply 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; 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 the summary below it is assumed that no individual holding a Note who is taxed as a resident of The Netherlands for income tax purposes has or will have a substantial interest in the Issuer.*

*Generally speaking, an individual holding a Note has a substantial interest in the Issuer if (a) such individual, either alone or together with his partner, directly or indirectly has, or (b) certain relatives of such individual or his partner directly or indirectly 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 the Issuer or the issued and outstanding capital of any class of shares of the Issuer, 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 the Issuer.*

*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.*

***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 inkomenstbelasting 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 25.5 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 average value of the individual's net assets in the relevant fiscal year (including the Notes). Subject to application of personal allowances, the deemed return shall 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 Spain**

On the basis that the Issuer is not resident in Spain for tax purposes and does not operate in Spain through a permanent establishment, branch or agency, all payments of principal and interest in respect of the Notes can be made free of any withholding or deduction for or on account of any taxes in Spain.

Under certain conditions, withholding taxes may apply if the Notes are deposited with a Spanish resident entity acting as depositary.

## **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 18 per cent., the contribution sociale généralisée ("CSG") of 8.2 per cent., the prélèvement social of 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 30.1 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 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 18 per cent., the CSG of 8.2 per cent., the prélèvement social of 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 30.1 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

Pursuant to Article 150-0 A of the CGI, when the aggregate amount of disposals of securities or shares per tax household exceeds an annual threshold (the "**Taxation Threshold**"), capital gains realised by individuals are taxable from the first euro. For disposals taking place in 2009, the Taxation Threshold is EUR 25,830; this threshold is revalued annually.

Capital gains are subject to income tax at the rate of 18 per cent., the CSG of 8.2 per cent., the prélèvement social of 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 where, for the year in which capital losses are incurred, disposals were in excess of the Taxation Threshold.

## 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 simili alle obbligazioni* (securities similar to bonds) 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 Poland**

The following is a general description of certain Polish income tax, including withholding 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 Poland 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 Poland. 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.

### *Taxation applicable to individuals resident in Poland*

Income from the Notes is subject to the Polish personal income tax at 19 per cent. flat rate. This income is recognised on cash basis, i.e. when interest is paid or capitalised, or when discount amount is actually paid. Withholding tax paid on this income abroad can be deducted from Polish income tax. However, such deduction shall not exceed that part of income tax, computed before the deduction, which is attributable to income taxed in the country of its source.

Noteholders are obliged to declare income from the Notes in their annual tax return. This rule applies even if such income is collected through a Polish paying agent.

Capital gains realised on the sale of Notes are also subject to personal income tax at a flat rate of 19 per cent. These capital gains are recognised for tax purposes on an accrual basis. However, if the sale is performed within the scope of the Noteholder's business activity, capital gains are included in other income of an entrepreneur and taxed at the 19 per cent. rate or at the standard progressive rates, up to 32 per cent. (generally, subject to the choice of an entrepreneur). In such case tax is settled on a monthly basis.

### *Taxation applicable to corporations resident in Poland*

For the Noteholders subject to corporate income tax, income from the Notes is part of their taxable income taxed at standard 19 per cent. rate. Withholding tax paid on this income abroad can be deducted from Polish income tax. However, such deduction shall not exceed that part of income tax, computed before the deduction, which is attributable to the income taxed in the country of its source.

In case of sale of the Notes on secondary market, the capital gains are part of Noteholders' income subject to standard income tax rate of 19 per cent., while capital losses may be tax-deductible.

#### *Taxation related to non-Polish residents*

Income from the Notes realised by non-Polish residents is not taxed in Poland. Even if such income is collected through a Polish paying agent, no Polish withholding tax should be due.

Non-residents who allocate the Notes to a business activity in Poland, for example, through a permanent establishment, are subject to the same rules as Polish residents.

#### **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.

#### **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 or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the withholding tax rate will raise over time to 35 per cent. The rates have been of 15 per cent. until 30 June 2008, are of 20 per cent. from 1 July 2008 to 30 June 2011 and will be of 35 per cent. as of 1 July 2011. 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. Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

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, Netherlands Antilles and Aruba) of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person 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 person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has announced on 13 November 2008 a proposal to amend the EU Savings Directive. If implemented, the proposed amendments would, 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. The European Parliament approved an amended version of this proposal on 24 April 2009. Investors who are in any doubt as to their position should consult their professional advisors.

#### **Taxation in Hong Kong**

*The following statements summarise certain Hong Kong tax consequences relating to the Notes. The statements do not purport to be a comprehensive description of all the tax consequences that may be relevant to a decision to purchase, own or dispose of the Notes and may not apply equally to all persons. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of their ownership of the Notes.*

#### **Withholding Tax**

No withholding tax will be applied in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising on the sale or redemption of the Notes.

#### *Profits Tax*

Profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

(a) Interest on the Notes will be subject to profits tax in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company, other than a financial institution, carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

(b) Sums derived from the sale, disposal or redemption of the Notes, unless the sums can be treated as deriving from the sale of capital assets, will be subject to profits tax where received by or accrued to any person who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source.

#### *Stamp Duty*

No stamp duty will be payable on the issue of the Notes in registered form. Stamp duty may be payable on transfer of the Notes in registered form if the transfer of the Notes in registered form is required to be registered in Hong Kong. Stamp duty will not be payable provided either:

- (a) the Notes in registered form are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstance in the currency of Hong Kong; or
- (b) the Notes in registered form constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of the Notes in registered form, it will be payable at the rate of 0.1 per cent. each by the seller and the purchaser by reference to the amount of the consideration or market value of the Notes in registered form, whichever is the greater.

No stamp duty will be payable on the issue of the Notes in bearer form unless they are issued in Hong Kong. Stamp duty will not be payable provided either:

- (a) the Notes in bearer form are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstance in the currency of Hong Kong; or
- (b) the Notes in bearer form constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable, it will be payable by the Issuer before the issue of the Notes in bearer form at a rate of 3 per cent. of the market value of the Notes. No stamp duty will be payable on any subsequent transfer of the Notes in bearer form.

#### *Estate Duty*

No estate duty is levied in Hong Kong on any person who died on or after 11 February 2006.

## Taxation in Singapore

The statements below are general in nature and are based on certain aspects of current tax laws, practice and administrative guidelines issued by the Monetary Authority of Singapore ("MAS") and are subject to any changes in such laws, announced taxation measures or administrative guidelines, occurring after such date, which changes could be made on a retroactive basis. The statements do not purport to be a comprehensive description of all the tax consequences that may be relevant to a decision to acquire, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Purchasers of the Notes who are in doubt about their respective tax positions or any such tax implications of the acquisition, ownership or disposal of the Notes should consult their own professional advisers.

### *Interest and Other Payments*

Interest, discount income, "break cost", "prepayment fee" and "redemption premium" derived by a Noteholder who is not resident in Singapore and who does not have any permanent establishment in Singapore is not subject to tax, as such income is likely to be regarded as arising from a source outside Singapore. If, however, interest, discount income (not including discount income arising from secondary trading), "prepayment fee", "redemption premium" and "break cost" (collectively, "Specified Income") should be regarded as being sourced in Singapore, such income could nonetheless be exempt from tax, including withholding of tax, if the Notes qualify as "qualifying debt securities" for the purposes of the Singapore Income Tax Act ("ITA").

The terms "break cost", "prepayment fee" and "redemption premium" as used in this section are defined in the ITA as follows:

- (a) "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- (b) "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- (c) "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

Subject to certain prescribed conditions being fulfilled and if the Dealers in respect of more than half of the principal sum of a Tranche of Notes issued under the Programme from the date of this Base Prospectus to 31 December 2013 are each a financial sector incentive (bond market) company (as defined in the ITA), such Tranche of Notes issued by the relevant Issuer may qualify as "qualifying debt securities" for the purposes of the ITA. If such Tranche of Notes are "qualifying debt securities":

- (a) Specified Income from the Notes derived by a holder who is not resident in Singapore and who does not have any permanent establishment in Singapore is exempt from Singapore tax. Non residents who have permanent establishments in Singapore will also have the benefit of this exemption, **provided that** the funds used by them to acquire the Notes are not obtained from any operations in Singapore. Funds from Singapore operations, in relation to a person, means the funds and profits of that person's operations through a permanent establishment in Singapore; and
- (b) Specified Income from the Notes derived by any company or body of persons as defined in the ITA in Singapore is subject to tax at a concessionary rate of 10 per cent..

However, notwithstanding the foregoing:

- (i) if during the primary launch of such Tranche of the Notes, the Notes of such Tranche are issued to less than four persons and 50 per cent. or more of the principal amount of the Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, the Notes would not qualify as "qualifying debt securities"; and
- (ii) even though such Tranche of Notes are "qualifying debt securities", if, at any time during the tenure of such Tranche of Notes, 50 per cent. or more of the principal amount of the Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Specified Income derived from such Tranche of Notes held by (1) any related

party of the relevant Issuer, or (2) any other person where the funds used by such person to acquire such Tranche of Notes are obtained, directly or indirectly, from any related party of the relevant Issuer, shall not be eligible for the tax exemption or the concessionary rate of 10 per cent..

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that a relevant Issuer is permitted to make payments of Specified Income on a Tranche of Notes which are “qualifying debt securities” under the ITA without deduction or withholding for tax under Section 45 of the ITA, any person whose Specified Income derived from such Tranche of Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The Qualifying Debt Securities Plus Scheme (“QDS Plus” Scheme) has been introduced as an enhancement of the “qualifying debt securities” scheme. Under the QDS Plus Scheme, subject to certain prescribed conditions being fulfilled, income tax exemption is granted on Specified Income derived by any investor from “qualifying debt securities” (excluding Singapore Government Securities) which:

- (i) are issued during the period from 16 February 2008 to 31 December 2013;
- (ii) have an original maturity date of not less than 10 years;
- (iii) cannot be redeemed, converted, called or exchanged within 10 years from the date of their issue; and
- (iv) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

In determining an investor’s income that is to be exempted from tax under the QDS Plus Scheme, prescribed conditions apply in relation to how the investor’s losses, expenses, capital allowances and donations which are attributable to the exempt income are to be treated.

However, even though a particular Tranche of Notes are “qualifying debt securities” which qualify under the QDS Plus Scheme, if, at any time during the tenure of such Tranche of Notes, 50 per cent. or more of the principal amount of the Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Specified Income derived from such Tranche of Notes held by (1) any related party of the relevant Issuer, or (2) any other person where the funds used by such person to acquire such Tranche of Notes are obtained, directly or indirectly, from any related party of the relevant Issuer, shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

## PLAN OF DISTRIBUTION

### 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 12(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. Valid subscription applications will be processed in the chronological order of their receipt by the Relevant Dealer and then by the Placing Agents and, if necessary, the last subscription applications received will be reduced proportionately in order to match the actual aggregate principal amount of Notes being offered. 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 37(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 2010 (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**”). Under this Agreement, 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. 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 and Spain 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” above 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 Banking, Finance and Insurance Commission 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.

### 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 Law of 10 July 2005 on prospectuses for securities (the “**Luxembourg Prospectus Law**”), implementing in 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.

## Spain

Each Dealer represents and agrees, and each further Dealer under the Programme will be required to represent and agree, that, it has only made and will only make an offer of the Notes to the public (*oferta pública*) in Spain in the period beginning on the date of notification of the approval of the Base Prospectus in relation to the Notes by the CSSF in Luxembourg to the *Comisión Nacional del Mercado de Valores* (the "**CNMV**") in Spain, in accordance with the Spanish Securities Market Act (*Ley 24/1988 de 28 de julio, del Mercado de Valores*), as amended (the "**LMV**"), Royal Decree 1310/2005, of 4 November 2005, developing partially the Spanish Securities Market Law as regards admission to listing on official secondary markets, public offers and the prospectus required thereto and the regulations made thereunder, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus.

The Notes may not be offered or sold in Spain other than by institutions authorised under the LMV and Royal Decree 217/2008, of 15 February, on the legal regime applicable to investment services companies, to provide investment services in Spain, and in compliance with the provisions of the LMV and any other applicable legislation.

## The Netherlands

Notes Issued by BP2F and Fortis Bank: 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 Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required (i) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (ii) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (iii) 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, 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 are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. 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 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) in Poland at any time to any other person who fall within the definition of “qualified investor” as that term is defined in Article 8 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies;
- (e) *Fewer than 100 offerees*: at any time to fewer than 100 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
- (f) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

**Provided that** no such offer of Notes referred to in (b), (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 and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## OUTSIDE THE EUROPEAN ECONOMIC AREA

### Hong Kong

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made 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 purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the 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 persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong 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 in a collective investment scheme within the meaning of the Swiss Collective Investment Schemes Act of 23 June 2006 (the "**CISA**"). They have not been approved by the Swiss Financial Market Supervisory Authority and are not subject to its supervision.

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. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

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.

## **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.

## 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 65, boulevard Grande-Duchesse 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 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]<sup>10</sup>.

[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]<sup>11</sup>]<sup>12</sup>

## 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 2010 [and the supplement to the Base Prospectus dated [•]] 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] (together, the “**Base Prospectus**”).

<sup>10</sup> Include this legend where a non-exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated.

<sup>11</sup> Include this legend where only an exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated.

<sup>12</sup> 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.

[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\*] [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 [65, 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 and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands and Citibank, N.A. at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

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 [Copies of the applicable Final Terms (in the case of Notes listed and admitted to trading on Euronext Paris S.A., which is the regulated market of [•] (the “**French Regulated Market**” may be obtained from the registered office of [•] as [•] at [•].]<sup>13</sup>]<sup>14</sup>

*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 the 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\*] [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 [65, 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 and the Paying and Transfer Agents, Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands and Citibank, N.A. at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

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. Copies of the applicable Final Terms (in the case of Notes listed and admitted to trading on Euronext Paris S.A., which is the regulated market of [•] (the “**French Regulated Market**” may be obtained from the registered office of [•] as [•] at [•].]<sup>16</sup>

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.

\* 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.

<sup>13</sup> Complete if applicable.

<sup>14</sup> 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.

<sup>16</sup> 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.

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.

### **[Risk Warning]<sup>17</sup>**

*Investment in the Notes is directed at sophisticated 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 Notes carry various risks including, without limitation, the insolvency risk of the Issuer and the Guarantor and the insolvency, payment default and credit risk of the Reference [Entity/Entities]. There may be little or no secondary market for the Notes.*

*If a Credit Event occurs, the principal amount of the Notes will be reduced in accordance with the provisions hereof. 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, you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.]*

*[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:	[•]
<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]</i>	
3. Currency or Currencies:	[•] [(being equivalent of [•] Units)]
4. Form:	[Bearer Notes][Exchangeable Bearer Notes][Registered Notes]
5. Principal Amount of Tranche:	
[(i)] Series:	[•]
[(ii)] Tranche:	[•]]

<sup>17</sup> to be inserted in the case of an issuance of Credit-Linked Notes.

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.]]*

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 for which the Relevant Business Day(s) [is/are] [specify cities]/[The Interest Payment Date falling in or nearest to [specify month and year]]  
[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]  
[Equity-Linked Redemption]  
[Variable-Linked Redemption]  
[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(18)]  
[(ii)] Status of the Guarantee: [Senior/Senior Subordinated/Junior Subordinated/Not applicable](19)

#### **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]  
[Subject to adjustment in accordance with the [name of applicable Business Day Convention] for which the Relevant Business Day is [ ] or [Not subject to adjustment]

(ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of “Business Day”]/not adjusted]

(iii) Interest Period Dates: [•]

(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] [•]

<sup>18</sup> 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.

<sup>19</sup> 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]

(vi) Day Count Fraction: [30/360/Actual/Actual (ICMA)/other]

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

## 16. Floating Rate Note Provisions [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Interest Payment Date(s): [•]

(ii) Interest Accrual Period: [•]

(iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

(iv) Additional Business Centre(s): [Specify/Not Applicable] [Note that this item relates to the definition of "Relevant Business Day" (Condition 4(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 4(b)).]

(v) Reference Banks: [specify four]

(vi) Spread (if applicable): [•] per cent. per annum

(vii) Spread Multiplier (if applicable): [•]

(viii) Party responsible for calculating the Interest [•] Rate(s) and Interest Amount(s) (if not the [Fiscal Agent/Domiciliary Agent]):

(ix) Relevant Time (if applicable): [•]

(x) 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.)

— 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)]

- (xi) ISDA Determination:
  - Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (xii) Minimum Interest Rate: [[•] per cent. per annum]/[Not Applicable]]
- (xiii) Maximum Interest Rate: [[•] per cent. per annum]/[Not Applicable]]
- (xiv) Day Count Fraction: [•]
- (xv) 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 [•] per cent. per annum Interest/Low Interest Note):
- (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** [Applicable/Not Applicable] *(If not applicable, delete the remaining Note/Fund-Linked Note/other variable-linked interest sub-paragraphs of this paragraph)*  
Note Provisions

- (i) Index/Shares/Fund Interest/formula/other [give or annex details] variable:
- (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): [•]  
[Subject to adjustment in accordance with the [name of applicable Business Day Convention] for which the Relevant Business Day is [ ] or [Not subject to adjustment]]
- (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 *[name of applicable Business Day Convention]* for which the Relevant Business Day is [ ] or [Not subject to adjustment]

(vii) Business Day Convention:

[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

(viii) Additional Business Centre(s):

[specify/Not Applicable]

*[Note that this item relates to the definition of "Relevant Business Day" (Condition 4(j)). Relevant Business Day is used in the definitions of the different Business Day Conventions (Condition 4(b)).]*

(ix) Minimum Interest Rate:

[[•] per cent. per annum]/[Not Applicable]]

(x) Maximum Interest Rate:

[[[•] per cent. per annum]/[Not Applicable]]

(xi) Day Count Fraction:

[•]

(xii) 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 [Applicable/Not Applicable] option

*[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.]*

*[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 [•] per Calculation Amount [For Credit-Linked Notes, specify method, if any, of calculation of such "Principal Amount Outstanding" 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 [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 [•] per Calculation Amount method, if any, of calculation of such amount(s):

**21. Final Redemption Amount of each Note**

[•] per Calculation Amount]/[Par]/[Other]]

*[For Credit-Linked Notes, specify "Principal Amount Outstanding" on the date fixed for redemption, after any adjustment thereto on such date.]*

In cases where the Final Redemption Amount is linked to an index, shares, fund interests, formula or other variable-linked:

(i) Index/Shares/Fund variable: Units/formula/other [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 [give or annex details] the Final Redemption Amount:

(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] for which the Relevant Business Day is [ ] or [Not subject to adjustment]

(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] for which the Relevant Business Day is [ ] or [Not subject to adjustment]

(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 [Applicable/Not Applicable/As per Conditions] method of calculating the same (if required or if different from that set out in the 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 [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 “Principal Amount Outstanding” on the Redemption Amount is to be determined in accordance with another method.]

(b) Method of calculating (if required or if [Applicable/Not Applicable/As per Conditions] [The Issuer will not different from that set out in the pay any additional amount in case of tax changes.] [specify other method/arrangements]

(ii) Early redemption on event of default and [Applicable/Not Applicable] (If not applicable, delete the remaining method of calculating the same (if required or if sub-paragraphs of this paragraph) different from that set out in the Conditions):

(a) Redemption Amount of each Note payable [specify amount/Not Applicable/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]

(b) Method of calculating (if required or if [Applicable/Not Applicable/As per Conditions] different from that set out in the Conditions):

[specify other method/arrangements]

(iii) Early redemption for other reasons (specify) [Applicable/Not Applicable] (If not applicable, delete the remaining and/or the method of calculating the same (if sub-paragraphs of this paragraph) required or if different from that set out in the Conditions):

(a) Redemption Amount of each Note payable [Applicable/Not Applicable] [specify amount] on redemption:

(b) Method of calculating (if required or if [Applicable/Not Applicable] [specify method/arrangements] different from that set out in the Conditions):

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 (other than Notes cleared through Euroclear Nederland) 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 (other than Notes cleared through Euroclear Nederland) 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.]*

*[In the case of Notes listed on the SIX Swiss Exchange ("SIX Notes") only, the following should be included:*

Certification of the Notes in Switzerland will be made as follows:

(i) A Temporary Global SIS Note will be issued;

(ii) The Temporary Global SIS Note will be exchanged against a Permanent Global SIS Note after a period of 40 days after the Temporary Global SIS Note's issuance.]

[Registered Notes]

[If applicable, in case of SIX Notes, please insert:

*"See under "Certification" of the Swiss Base Prospectus"]*

27. New Global Note:

[Applicable/Not Applicable]

*[If "Not Applicable" is specified, ensure that "Not Applicable" is also specified for Eurosystem eligibility in the relevant paragraph of section 11 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(ii), 16(iii) and 18(viii) 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:

*(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]

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/See Swiss Base Prospectus (in the case of SIX Notes only)]

*(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]]
<i>[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>		
(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 (xlxi) 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 applicable]
- (ii) Additional Fund Service Provider(s): [specify or delete if not applicable]
- (iii) Additional Type 1 Fund Event: [specify or delete if not applicable]
- (iv) Additional Type 1 Hedge Fund Event: [specify or delete if not applicable]
- (v) Additional Type 2 Fund Event: [specify or delete if not applicable]
- (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 applicable]
- (viii) Company: [specify or delete if not applicable]
- (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 applicable]
- (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 applicable]
- (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

	<i>Conditions are not applicable, or delete if not applicable]</i>
(xvi) Fund Business Day:	<i>[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]</i>
(xvii) Fund Custodian:	<i>[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]</i>
(xviii) Fund Interest:	<i>[ ] [specify ISIN (if any) and Bloomberg page (if any)]</i>
(xix) Fund Interest Performance:	<i>[specify or delete if not applicable]</i>
(xx) Fund Interest Units:	<i>[ ]</i>
(xxi) Fund Subscription Date:	<i>[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]</i>
(xxii) Hedge Fund:	<i>[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]</i>
(xxiii) Hypothetical Investor:	<i>[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]</i>
(xxiv) Hypothetical Investor Jurisdiction:	<i>[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]</i>
(xxv) Initial Fund Interest Unit Price:	<i>[specify if the fallback provisions in Part 4A of the Terms and Conditions are not applicable, or delete if not applicable]</i>
(xxvi) Key Personnel:	<i>[specify or delete if not applicable]</i>
(xxvii) Knock-in Event:	<i>[Applicable][Not Applicable]</i> <i>[If Applicable:</i> <i>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]</i> <i>Knock-in Price: [ ]</i> <i>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]</i> <i>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]</i> <i>[Applicable][Not Applicable]</i> <i>[If Applicable:</i> <i>Knock-out Determination Day: [specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]</i> <i>Knock-out Price: [ ]</i> <i>Knock-out Reference Asset: [specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]</i> <i>Knock-out Valuation Time: [specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]</i>
(xxviii) Knock-out Event:	<i>[Applicable][Not Applicable]</i> <i>[If Applicable:</i> <i>Knock-out Determination Day: [specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]</i> <i>Knock-out Price: [ ]</i> <i>Knock-out Reference Asset: [specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]</i> <i>Knock-out Valuation Time: [specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]</i>

(xxix) Maximum Allocation to Single Hedge Fund *[specify or delete if not applicable]*  
Percentage:

(xxx) Maximum Borrowing Allocation Percentage: *[specify or delete if not applicable]*

(xxxi) Maximum Quarterly Plus Liquidity Allocation *[specify or delete if not applicable]*  
Percentage:

(xxxii) Minimum Monthly Liquidity Allocation *[specify or delete if not applicable]*  
Percentage:

(xxxiii) Minimum Number of Underlying Hedge *[specify or delete if not applicable]*  
Funds:

(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 Schedule 5 are not applicable, or delete if not applicable]*

(xxxix) Reference Price: *[specify method of determination if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*

(xl) Relevant Fund Interest Unit Price: *[specify method of determination if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*

(xli) Scheduled Redemption Payment Date: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*

(xlii) Settlement Cycle: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*

(xliii) Strike Date: *[specify or delete if not applicable]*

(xlv) Strike Price: *[specify or delete if not applicable]*

(xlv) Subscription Notice Date: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*

(xlvi) Type 1 Hedge Fund Event: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*

(xlvii) Valuation Date(s): [ ]

(xlviii) Valuation Time: *[specify if the fallback provisions in Schedule 5 are not applicable, or delete if not applicable]*

(xlix) Other terms /modifications: *[insert any 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]*

(iii) Additional Type 1 Fund Event: *[specify or delete if not applicable]*

(iv) Additional Type 1 Hedge Fund Event: *[specify or delete if not applicable]*

(v) Additional Type 2 Fund Event: *[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 Schedule 6 are not applicable, or delete if not applicable]*  
*Automatic Early Redemption Date: [ ] Automatic Early Redemption Event: [specify if the fallback provisions in Schedule 6 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 Schedule 6 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 Schedule 6 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 Schedule 6 are not applicable, or delete if not applicable]*

(xv) Extraordinary Dividend: *[specify if the fallback provisions in Schedule 6 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 Schedule 6 are not applicable, or delete if not applicable]*

(xviii) Fund Adviser: *[specify if the fallback provisions in Schedule 6 are not applicable, or*

	<i>delete if not applicable]</i>
(xix) Fund Business Day:	<i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>
(xx) Fund Custodian:	<i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>
(xxi) Fund Interest:	See "Basket" above
(xxii) Fund Interest Performance:	<i>[specify or delete if not applicable]</i>
(xxiii) Fund Interest Units:	See "Basket" above
(xxiv) Fund Subscription Date:	<i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>
(xxv) Hedge Fund:	<i>[specify if the fallback provisions in Schedule 6 are not applicable]</i>
(xxvi) Hypothetical Investor:	<i>[specify if the fallback provisions in Schedule 6 are not applicable]</i>
(xxvii) Hypothetical Investor Jurisdiction:	<i>[specify if the fallback provisions in Schedule 6 are not applicable]</i>
(xxviii) Initial Fund Interest Unit Price:	<i>[specify if the fallback provisions in Schedule 6 are not applicable]</i>
(xxix) Key Personnel:	<i>[specify or delete if not applicable]</i>
(xxx) Knock-in Event:	[Applicable][Not Applicable]  [If Applicable:  Knock-in Determination Day: <i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>  Knock-in Price: [ ]  Knock-in Reference Asset: <i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>  Knock-in Valuation Time: <i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>
(xxxi) Knock-out Event:	[Applicable][Not Applicable]  [If Applicable:  Knock-out Determination Day: <i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>  Knock-out Price: [ ]  Knock-out Reference Asset: <i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>  Knock-out Valuation Time: <i>[specify if the fallback provisions in Schedule 6 are not applicable, or delete if not applicable]</i>
(xxxii) Maximum Allocation to Single Hedge Fund	<i>[specify or delete if not applicable]</i>
Percentage:	
(xxxiii) Maximum Borrowing Allocation Percentage:	<i>[specify or delete if not applicable]</i>
(xxxiv) Maximum Quarterly Plus Liquidity Allocation Percentage:	<i>[specify or delete if not applicable]</i>

(xxxv) Minimum Monthly Liquidity Allocation [specify or delete if not applicable]	
Percentage:	
(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 Schedule 6 are not applicable, or delete if not applicable]
(xlii) 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]
(xliiv) 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]
(xlvi) 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) Type 1 Hedge Fund Event:	[specify if the fallback provisions in Part 4B of the Terms and Conditions are not applicable, or delete if not 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) Other terms /modifications:	[insert any other relevant terms]

## CREDIT-LINKED NOTE PROVISIONS

38. Credit-Linked Note Provisions:	[Not Applicable/Applicable]
	[If "Not Applicable" delete remaining sections of this paragraph]
(i) First-to-Default Credit-Linked Notes with Auction Settlement	[Part 5A shall apply /Not Applicable] [specify all the relevant data of the CDS Confirmation and review and amend Part 5A as applicable]
(ii) First-to-Default Credit-Linked Notes with	[Part 5B shall apply /Not Applicable] [specify all the relevant data of

Physical Settlement	<i>the CDS Confirmation and review and amend Part 5B as applicable]</i>
(iii) First-to-Default Credit-Linked Notes with Cash Settlement	[Part 5C shall apply /Not Applicable] [specify all the relevant data of the CDS Confirmation and review and amend Part 5C as applicable]
(iv) [Cash Settled/ Auction Settled] Credit-Linked Notes with a static portfolio of reference	<i>the CDS Confirmation including the Reference Portfolio and review entities as underlying (amend as applicable) and amend Part 5D as applicable]</i>

## DISTRIBUTION

39. (i) If syndicated, names [and addresses]\*\* of [Not Applicable/give names [and addresses and underwriting Managers [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 [Name [and address]\*\*] Dealer:

41. [Total commission and concession:]\* [ ] per cent. of the Aggregate Nominal Amount]\*\*

42. Whether TEFRA D or TEFRA C rules applicable or [TEFRA D/TEFRA C/TEFRA not applicable] TEFRA rules not applicable:

43. Non-Exempt Offer: [Not Applicable] [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 12 of Part B below.]

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] [listed and admitted to trading on Euronext Brussels] [listed and admitted to trading on Euronext Paris] 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.]<sup>20</sup>

## RESPONSIBILITY

The Issuer [and the Guarantor]<sup>†</sup> accept responsibility for the information contained in these Final Terms.

[[•] has been extracted from [•]. [Each of the/The]<sup>\*</sup> Issuer [and the Guarantor]<sup>\*</sup> 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.]<sup>\*\*21</sup>

Signed on behalf of the Issuer:

By:

*Director*

[Signed on behalf of the Guarantor:

By:

*Duly authorised]†*

By:

*Director*

---

<sup>20</sup> Only include where the Notes are listed and a Prospectus is required to be published under the Prospectus Directive 2003/71/EC.

† Delete where the Issuer is Fortis Bank NV/SA.

\* Delete in each case as applicable.

\*\* Include where any information sourced from a third party has been reproduced, and provide necessary details.

<sup>21</sup> 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.

## PART B – OTHER INFORMATION

*[For Notes which are not to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area only parts 1(i), 1(ii), 5(ii), 11(i) – (viii) and, in the case of derivative securities, part 10 should be included in “Part B – Other Information”]*

### 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 [•].]] [listing on the official list and to trading on Euronext Brussels/trading on [•]] with effect from [•].]] [listing on the official list and to trading on Euronext Paris/trading on [•]] with effect from [•].] [Listing on the official list and to trading on SIX/trading on [•]] with effect from [•].].](22)

[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 [•].](23)  
to trading:

### 2. [RATINGS

Ratings:

The Notes to be issued have been rated:

[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.]*(24)

*(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.)*(25)

the above mentioned ratings are the credit ratings [Yes /No]  
assigned to the Programme:

the above mentioned ratings are specific credit ratings [Yes /No]  
only assigned to this Tranche of Notes:

<sup>22</sup> 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.

<sup>23</sup> 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.

<sup>24</sup> 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.

<sup>25</sup> 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.)]<sup>26</sup>

### 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.)](27)

(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.]](28)

(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.)

### 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.](29)

### 6. [Floating Rate Notes only — HISTORIC INTEREST RATES](30)

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 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)](31)

<sup>26</sup> 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.

<sup>27</sup> 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.

<sup>28</sup> 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.

<sup>29</sup> 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.

<sup>30</sup> 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.

<sup>31</sup> 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.

*[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 [specify] Issuer)/share:]
- (iii) [Information on index (if not composed by [specify] Issuer)/share:]
- (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](32)**

*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.]*

*(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.)]*

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<sup>32</sup> 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.

## 9. [Derivatives only – OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/[ADMITTED TO TRADING]]

Name of the issuer of the underlying security/securities: [•]

ISIN Code: [•]

Underlying interest rate: [•]

Relevant weightings of each underlying in the basket: [•]

Adjustment rules with relation to events concerning the [•] underlying:

Place where information relating to the [•] [underlying]/[Index]/[Indices] can be obtained:

Name and address of entities which have a firm [•] commitment to act as intermediaries in secondary trading:

Details of any market disruption/settlement disruption [•] events affecting the underlying:

Exercise price/find reference price of underlying: [•]

Details of how the value of investment is affected by the [•] value of the underlying instrument(s):

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) New Global Note intended to be held in a manner [Not Applicable/Yes/No] which would allow Eurosystem eligibility:

[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 [Not Applicable/Yes/No] would allow Eurosystem eligibility<sup>(33)</sup>:

<sup>33</sup> Only applicable in relation to X/N Notes issued by Fortis Bank NV/SA

[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 [X/N System/Euroclear Nederland (give numbers)/Not S.A./N.V. and Clearstream Banking Société Applicable/give name(s) and number(s)] Anonyme and the relevant identification number(s):

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) [•] [In the case of SIX Notes, specify names and addresses of each of the Swiss Paying Agents] [In the case of Notes deposited with or delivered to Euroclear Nederland, specify name and address of the Dutch Paying Agent]

(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 [Not Applicable/give details] and manner for refunding excess amount paid by applicants:

(v) Details of the minimum and/or maximum amount [Not Applicable/give details] of application:

- (vi) Details of the method and time limits for paying up [Not Applicable/give details] and delivering the Notes;
- (vii) Manner in and date on which results of the offer [Not Applicable/give details] are to be made to the public;
- (viii) Procedure for exercise of any right of pre-emption, [Not Applicable/give details] negotiability of subscription rights and treatment of subscription rights not exercised;
- (ix) Categories of potential investors to which the [Not Applicable/give details] Notes are offered and whether tranche(s) have been reserved for certain countries;
- (x) Process for notification to applicants of the amount [Not Applicable/give details] allotted and the indication whether dealing may begin before notification is made;
- (xi) Amount of any expenses and taxes specifically [Not Applicable/give details] charged to the subscriber or purchaser;
- (xii) Name(s) and address(es), to the extent known to [None/give details]](34) the Issuer, of the placers in the various countries where the offer takes place.

**[In the case of SIX Notes only, the following should be included:]**

## **12. REPRESENTATIVES**

Representatives: [ ]

## **13. TRADING ON THE SIX**

Last trading date and time: [ ]

## **14. MATERIAL CHANGES**

*[Any material changes in the assets and liabilities, financial position and profits and losses of the Issuer which may have arisen since the close of the most recent fiscal year or the effective date of the interim financial report are to be disclosed. Otherwise, a corresponding negative declaration is to be included here.]*(35)

## **15. [INFORMATION ON UNDERLYING INSTRUMENTS]**

**15. [INFORMATION ON UNDERLYING INSTRUMENTS]** *[Upon issuance of derivatives to be listed on the SIX Swiss Exchange, these Final Terms shall be supplemented by appropriate information on underlying instruments in accordance with prospectus Scheme 4, Section 4]*(36)

<sup>34</sup> 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.

<sup>35</sup> 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.

<sup>36</sup> 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.

## 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. Application may also be made to the Swiss Exchange (“**SIX**”) for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing and/or trading on SIX. Application may be made to Euronext Amsterdam N.V. for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext, which is the regulated market of Euronext Amsterdam N.V. Application may also be made to Euronext Brussels for Notes issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to listing and trading on Euronext Brussels, which is the regulated market of Euronext Brussels. Application may be made to Euronext Paris S.A. (“**Euronext Paris**”) for Notes issued under the Programme to be admitted to listing and trading on the respective regulated markets of Eurolist by Euronext Paris in France. 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, the French Regulated Market and the Belgian Regulated Market are each regulated markets 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 2010 and on or about 14 June 2010, 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 2010.

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 and Exchangeable Bearer Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg and Euroclear Nederland 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 or Euroclear Nederland, 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 or Euroclear Nederland 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, or the Belgian Regulated Market will be made freely available at the office of the Listing Agent in Luxembourg.

Electronic copies of the Base Prospectus or any future Base Prospectus together with any supplement thereto, as well as the relevant Final Terms relating to any Notes which are admitted to listing on the official list and to trading on the Luxembourg Regulated Market will be available on its website ([www.bourse.lu](http://www.bourse.lu)).

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 2008 and 2009 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, the Final Terms relating to any Notes which are admitted to listing on the official list and trading on the regulated market of the SIX, the Final Terms relating to any Notes which are admitted to listing on the official list and trading on Euronext Brussels, the Final Terms relating to any Notes which are admitted to listing on the official list and trading on Eurolist by Euronext Paris, 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., 65, 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 2008 have been audited without qualification by KPMG Audit, S.à r.l., 9 Allée Scheffer, L-2520 Luxembourg (RC. 103590), who is a member of the Institut des Réviseurs d'Entreprises.

The financial statements of BP2F for the year ended 31 December 2009 have been audited 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.

The financial statements for the year ending 31 December 2008 of Fortis Bank have been audited by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C.R.L., represented by Luc Discry, Partner, Woluwedal 18, B 1932 Sint Stevens Woluwe, Brussels and Klynveld Peat Marwick Goerdeler Réviseurs d'Entreprises S.C.R.L. Civile, represented by Olivier Macq, Partner, Avenue du Bourget 40, B 1130 Brussels, in accordance with the laws of Belgium. A qualified opinion on the consolidated financial statements, with explanatory paragraphs has been issued on 10 April 2009. All are members of Institut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises.

The financial statements for the year ending 31 December 2009 of Fortis Bank have been audited by PricewaterhouseCoopers, Réviseur d'Entreprises S.C.C.R.L., represented by Roland Jeanquart, Partner and Josy Steenwinckel, Partner, Woluwedal 18, B 1932 Sint Stevens Woluwe, Brussels and Deloitte Réviseurs d'Entreprises sc sous forme d'une scrl, represented by Philip Maeyaert, Partner and Frank Verhaegen, Partner, 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 Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Enterprises.

11. This Base Prospectus, 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](http://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 and the address of Euroclear Nederland is Herengracht 459 – 469, 1017 BS Amsterdam, The Netherlands. The address of the National Bank of Belgium as operator of the X/N System is Boulevard de Berlaimont 14, 1000 Bruxelles, Belgium.

**REGISTERED OFFICE OF THE ISSUERS**

**Fortis Bank NV/SA**  
Montagne du Parc 3  
B-1000 Brussels  
Belgium

**BNP Paribas Fortis Funding**  
65, Boulevard Grande-Duchesse Charlotte  
L-1331 Luxembourg  
Grand Duchy of Luxembourg

**REGISTERED OFFICE OF THE GUARANTOR**

**Fortis Bank NV/SA**  
Montagne du Parc 3  
B-1000 Brussels  
Belgium

**ARRANGER AND DEALER**

**Fortis Bank NV/SA**  
Montagne du Parc 3  
B-1000 Brussels  
Belgium

**FISCAL AGENT, REGISTRAR, PRINCIPAL PAYING AGENT, TRANSFER AGENT  
AND CALCULATION AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**  
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Grand Duchy of Luxembourg

**ALTERNATIVE PRINCIPAL PAYING AGENT**

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Belgium

**PAYING AND TRANSFER AGENTS**

**Fortis Bank (Nederland) N.V.**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands

**Citibank, N.A.**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**DOMICILIARY AGENT**

**Fortis Bank NV/SA**  
Montagne du Parc 3  
B-1000 Brussels  
Belgium

## LEGAL ADVISERS

*to the Dealers  
in respect of English law*

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

*in respect of Luxembourg law*

*in respect of Belgian law*

**Kremer Associés & Clifford Chance**  
2-4, place de Paris  
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L-1101 Luxembourg  
Grand Duchy of Luxembourg

**Legal department – Fortis Bank NV/SA**  
Montagne du Parc 3  
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Belgium

## AUDITORS TO BNP PARIBAS FORTIS FUNDING

**PricewaterhouseCoopers S.à r.l.**  
400, Route d'Esch  
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Grand Duchy of Luxembourg

## AUDITORS TO THE GUARANTOR

**PricewaterhouseCoopers,  
Réviseurs d'Entreprises S.C.C.R.L.**

Represented by  
Roland Jeanquart, Partner and Josy Steenwinckel, Partner  
Woluwedal 18  
B-1932 Sint-Stevens-Woluwe  
Brussels  
Belgium

**Deloitte  
Réviseurs d'Entreprises sc sous forme d'une scrl**

Represented by  
Philip Maeyaert, Partner and Frank Verhaegen, Partner  
Berkenlaan 8b  
B 1831 Diegem  
Belgium

## LUXEMBOURG LISTING AGENT

**BNP Paribas Securities Services, Luxembourg Branch**  
33, rue de Gasperich  
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Hesperange  
L-2085 Luxembourg  
Grand Duchy of Luxembourg

## BELGIAN LISTING AGENT

**Fortis Bank NV/SA**  
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B-1000 Brussels  
Belgium