



# BNP PARIBAS

## BNP Paribas Arbitrage Issuance B.V.

(incorporated in The Netherlands)

(as Issuer)

## BNP Paribas

(incorporated in France)

(as Issuer and Guarantor)

### Warrant and Certificate Programme

This document (the “**Base Prospectus**”) constitutes a base prospectus in respect of the Programme (as defined below). Any Securities (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions herein. This does not affect any Securities issued before the date of this Base Prospectus. This Base Prospectus constitutes a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”).

Under the terms of the Warrant and Certificate Programme (the “**Programme**”), each of BNP Paribas Arbitrage Issuance B.V. (“**BNPP B.V.**”) and BNP Paribas (“**BNPP**” or the “**Bank**” and, together with BNPP B.V., the “**Issuers**” and each an “**Issuer**”) may from time to time issue warrants (“**Warrants**”) or certificates (“**Certificates**” and, together with the Warrants, “**Securities**”) of any kind including, but not limited to, Warrants or Certificates relating to a specified index or a basket of indices, a specified share or a basket of shares, a specified GDR or basket of GDRs, a specified debt instrument or a basket of debt instruments, a specified currency or a basket of currencies, a specified commodity or a basket of commodities, a specified inflation index or a basket of inflation indices, a specified fund share or unit or basket of fund shares or units or the credit of a specified entity or entities, and any other types of Securities including hybrid Securities whereby the underlying asset(s) may be any combination of such indices, shares, debt, currency, commodities, inflation indices, fund shares or units, credit of specified entities, or other asset classes or types. Only BNPP may issue U.S. Securities (as defined below). Each issue of Warrants will be issued on the terms set out herein which are relevant to such Warrants under “*Terms and Conditions of the Warrants*” (the “**Warrant Conditions**”) and each issue of Certificates will be issued on the terms set out herein which are relevant to such Certificates under “*Terms and Conditions of the Certificates*” (the “**Certificate Conditions**”) and together with the Warrant Conditions, the “**Conditions**”) and, in each case, on such final terms as will be set out in the final terms to be issued in respect of such Securities (the “**Final Terms**”), a form of which is contained in this Base Prospectus. References herein to the Final Terms may include, in the case of U.S. Securities, (x) a supplement to the Base Prospectus under Article 16 of the Prospectus Directive or (y) a prospectus.

The Securities shall be governed by either English law (“**English Law Warrants**” or “**English Law Certificates**”, as the case may be, and, together, the “**English Law Securities**”) or French law (“**French Law Warrants**” or “**French Law Certificates**”, as the case may be, and, together, the “**French Law Securities**”), as specified in the relevant Final Terms, and the corresponding provisions in the Conditions will apply to such Securities. Only English Law Securities will be U.S. Securities.

Securities issued by BNPP B.V. will be guaranteed by BNPP (in such capacity, the “**Guarantor**”) pursuant to (i) a Deed of Guarantee, in respect of English Law Securities (the “**English Law Guarantee**”) or (ii) a *garantie*, in respect of French Law Securities (the “**French Law Guarantee**” and, together with the “**English Law Guarantee**”, the “**Guarantees**”), the forms of which are set out herein.

Except in the case of U.S. Securities, each of BNPP B.V. and BNPP has a right of substitution as set out herein.

A description of the Final Terms (which for the avoidance of doubt may be issued in respect of more than one series of Warrants or Certificates) is set out herein on pages 35 to 57 (with respect to Warrants) and pages 148 to 173 (with respect to Certificates) and will specify with respect to each issue of Securities to which it relates, *inter alia*, the specific designation of the Securities, the aggregate number and type of the Securities, the date of issue of the Securities, the issue price, the underlying asset, index, fund, reference entity or other item(s) to which the Securities relate, the exercise period or date (in the case of Warrants), the redemption date, whether they are interest bearing, partly paid or redeemable in instalments (in the case of Certificates), the governing law of the Securities, whether the Securities are eligible for sale in the United States and certain other terms relating to the offering and sale of the Securities. With respect to issues of English Law Securities, the Final Terms relating to such issue of Securities will be attached to the Global Security, Rule 144A Global Security, Private Placement Definitive Security or Regulation S Global Security (each as defined below).

Each issue of Securities will entitle the holder thereof on due exercise (in the case of Warrants) or on the Instalment Date(s) and/or the Redemption Date (in the case of Certificates) either to receive a cash amount (if any) calculated in accordance with the relevant terms or to receive physical delivery of the underlying assets (against payment of a specified sum in the case of Warrants), all as set forth herein and in the applicable Final Terms.

**Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Securities. See “Risk Factors” on page 20.**

In particular, the Securities and the Guarantees and, in the case of Physical Delivery Warrants or Physical Delivery Certificates (each as defined below) (together, the “Physical Delivery Securities”), the Entitlement (as defined herein) to be delivered upon the exercise (in the case of Physical Delivery Warrants) or the redemption (in the case of Physical Delivery Certificates) of such Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and trading in the Securities has not been approved by the Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended. Neither Issuer has registered as an investment company pursuant to the United States Investment Company Act of 1940, as amended (the “Investment Company Act”). Unless otherwise specified in the applicable Final Terms, the Securities are being offered and sold pursuant to the registration exemption contained in Regulation S under the Securities Act. No Securities of such series, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act) and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. The Securities of such series may not be legally or beneficially owned at any time by any U.S. person (as defined in the “Offering and Sale” section below) and accordingly are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

Certain issues of Securities of BNPP only may also be offered and sold in the United States to (i) persons reasonably believed to be qualified institutional buyers (“QIBs”) as defined in Rule 144A under the Securities Act (“Rule 144A”) and (ii) certain accredited investors (“AIs”) as defined in Rule 501(a) under the Securities Act.

Each purchaser of U.S. Securities within the United States is hereby notified that the offer and sale of such Securities is being made in reliance upon an exemption from the registration requirements of the Securities Act. For a description of certain further restrictions on offers and sales of the Securities and on the distribution of this Base Prospectus, see “Offering and Sale” below.

U.S. Securities will, unless otherwise specified in the Final Terms, be sold through BNP Paribas Securities Corp., a registered broker-dealer. Hedging transactions involving Physical Delivery Securities may not be conducted unless in compliance with the Securities Act. See “Terms and Conditions of the Warrants” and “Terms and Conditions of the Certificates” below.

Securities related to a specified currency or basket of currencies, a specified commodity or basket of commodities, a specified interest rate or basket of interest rates or a specified inflation index or basket of inflation indices may not at any time be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are U.S. persons as defined in Regulation S under the Securities Act or that are not non-United States Persons as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended.

The Securities are not insured by the Federal Deposit Insurance Corporation.

Application may be made for Securities issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market or the EuroMTF Market (in each case, as defined below) operated by the Luxembourg Stock Exchange. References in this Base Prospectus to the “Luxembourg Stock Exchange” (and all related references) shall include the Regulated Market and/or the EuroMTF Market, as the case may be (as specified in the applicable Final Terms). In addition, references in this Base Prospectus to Securities being “listed” (and all related references) shall mean that such Securities have been listed and admitted to trading on the Luxembourg Stock Exchange or, as the case may be, an ISD Regulated Market (as defined below). The Luxembourg Stock Exchange’s Regulated Market is a regulated market for the purposes of the Investment Services Directive 93/22/EC (each such regulated market being an “ISD Regulated Market”). This Base Prospectus may be used to list on the official list of the Luxembourg Stock Exchange and have admitted to trading Securities on the regulated market “*Bourse de Luxembourg*” (the “**Regulated Market**”) or the EuroMTF exchange regulated market (the “**EuroMTF Market**”), in each case of the Luxembourg Stock Exchange, pursuant to the Programme. The Programme provides that Securities may be listed on such further or other stock exchange(s) as the relevant Issuer may decide. The applicable Final Terms will specify whether or not Securities are to be listed and admitted to trading on the official list of the Luxembourg Stock Exchange and/or any other stock exchange(s). Each Issuer may also issue unlisted Securities. Registered Warrants will be unlisted.

English Law Warrants which are issued and transferred through Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and/or Euroclear Bank S.A./N.V. (“**Euroclear**”), la Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A., Unipersonal (“**Iberclear**”), and/or any other relevant clearing system (“**Clearing System Warrants**”) will be represented by a global warrant (each a “**Clearing System Global Warrant**”), which will be issued and deposited with a common depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant clearing system on the date of issue of the relevant Warrants. Registered English Law Warrants (“**Registered Warrants**”) will be represented by a registered global warrant (each a “**Registered Global Warrant**”), which will be issued and deposited with the Registrar. Clearing System Warrants and warrants in definitive registered form (“**Private Placement Definitive Warrants**”) will not be exchangeable for Registered Warrants and Registered Warrants will not be exchangeable for Clearing System Warrants and Private Placement Definitive Warrants. English Law Certificates which are issued and cleared through Clearstream, Luxembourg and Euroclear and/or any other relevant clearing system will be represented by a global certificate (each a “**Global Certificate**”), which will be issued and deposited with a common depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant clearing system on the date of issue of the relevant Certificates. Except as described herein, no definitive Securities will be issued. Each Clearing System Global Warrant, Registered Global Warrant, and Global Certificate are each referred to as a “**Global Security**”.

French Law Securities will be in bearer dematerialised form (*au porteur*) and will be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Holders (as defined in “Terms and Conditions of the Warrants” and “Terms and Conditions of the Certificates”). No physical document of title will be issued in respect of French Law Securities. French Law Securities have been accepted for clearance through Euroclear France, Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

In the event that the Final Terms specify that Securities are eligible for sale in the United States (“**U.S. Warrants**” or **U.S. Certificates**”, as the case may be, and together, the “**U.S. Securities**”), (A) the Securities sold in the United States to QIBs within the meaning of Rule 144A will be represented by one or more global Securities (each, a “**Rule 144A Global Security**”) issued and deposited with (1) a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“**DTC**”) or (2) a common depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant clearing system, (B) the Securities sold in the United States to AIs will be issued and registered in definitive form (each, a “**Private Placement Definitive Security**”) and (C) in either such case, Securities sold outside the United States to non-U.S. persons will be represented by a one or more global Securities (each, a “**Regulation S Global Security**”) issued and deposited with a common depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant clearing system. In the event that the Final Terms does not specify that Securities are eligible for sale within the United States or to U.S. persons, the Securities offered and sold outside the United States to non-U.S. persons will be represented by a Clearing System Global Warrant, a Registered Global Warrant or a Global Certificate, as the case may be. ]

The date of this Base Prospectus is 30 May 2007.

## **RESPONSIBILITY STATEMENT**

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

As at the date of this Base Prospectus BNPP B.V. is making public offers of Securities in Belgium, Spain, Greece and Germany. Any investor in any of such public offers should note that if it has indicated acceptance of any such offer prior to the date of publication of this Base Prospectus it has the right, within two working days of the date of such publication, to withdraw such acceptance.

This Base Prospectus (together with supplements to this Base Prospectus from time to time (each a “**Supplement**” and together the “**Supplements**”) comprises a base prospectus for the purposes of (i) Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and (ii) the relevant implementing measures in the Grand Duchy of Luxembourg and, in each case, for the purpose of giving information with regard to the Issuer. In relation to each separate issue of Securities, the final offer price and the amount of such Securities will be determined by the Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the relevant Final Terms.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the relevant Issuer and, if applicable, the Guarantor for the information relating to the underlying asset, index or other item(s) to which the Securities relate which is contained in such Final Terms.

No person is authorised to give any information or to make any representation not contained in or not consistent with this document or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by BNPP B.V., BNPP or any manager of an issue of Securities, including BNPP Securities Corp. (as applicable to such issue of Securities, each a “**Manager**”). This document does 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 Securities or the distribution of this document in any jurisdiction where any such action is required.

This document is to be read and construed in conjunction with any Final Terms and with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” below).

Warrants create options exercisable by the relevant holder or which will be automatically exercised as provided herein. There is no obligation on the Issuer to pay any amount or deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Warrants are automatically exercised and, where applicable, an Exercise Notice is duly delivered. The Warrants will be exercisable in the manner set forth herein and in the applicable Final Terms. In certain instances, the holder of a Warrant will be required to certify, *inter alia* (in accordance with the provisions outlined in “*Offering and Sale*” below) that it is not a U.S. person or exercising such Warrant on behalf of a U.S. person. Upon transfer, exchange or exercise of a U.S. Warrant (as defined above), the holder will, in certain circumstances, be required to certify that the transfer, exchange or exercise, as the case may be, is being made to, or on behalf of, a person whom the holder reasonably believes is not a U.S. person or is a QIB or an AI, as applicable, who acquired the right to such transfer, exchange or the benefit of such exercise in a transaction exempt from the registration requirements of the Securities Act. The proposed transferee may also be required to deliver an investment letter as a condition precedent to such proposed transfer or exchange (in accordance with the provisions outlined in Condition 1(D) of the Terms and Conditions of the Warrants below).

Certificates shall be redeemed on each instalment and/or the redemption date by payment of one or more Cash Settlement Amount(s) (in the case of Cash Settled Certificates) and/or by delivery of the Entitlement (in the case of Physical Delivery Certificates). In order to receive the Entitlement, the holder of a Certificate will be required to submit an Asset Transfer Notice and in certain circumstances to certify, *inter alia* (in accordance with the provisions outlined in Condition 7(B)(1) of “*Terms and Conditions of the Certificates*”), that it is not a U.S. person or acting on behalf of a U.S. person. Upon transfer or exchange of a U.S. Certificate (as defined below), the holder will, in certain circumstances, be required to certify that the transfer or exchange, as the case may be, is being made to a person whom

the transferor or exchangor reasonably believes is not a U.S. person or is a QIB or an AI, as applicable, who acquired the right to such transfer or exchange in a transaction exempt from the registration requirements of the Securities Act. The proposed transferee may also be required to deliver an investment letter as a condition precedent to such proposed transfer or exchange (in accordance with the provisions outlined in Condition 1(C) of the Terms and Conditions of the Certificates below).

The Securities of each issue may be sold by the relevant Issuer and/or any Manager at such time and at such prices as the Issuer and/or the Manager(s) may select. There is no obligation upon the Issuer or any Manager to sell all of the Securities of any issue. The Securities of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer.

Subject to the restrictions set forth herein, each Issuer shall have complete discretion as to what type of Securities it issues and when.

No Manager has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Manager as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by BNPP B.V. and/or BNPP. The Managers accept no liability in relation to the information contained in this Base Prospectus or any other information provided by BNPP B.V. and/or BNPP in connection with the Programme.

BNPP B.V. and BNPP have not investigated, and do not have access to information that would permit them to ascertain, whether any company that has issued equity, debt or other instruments to which any U.S. Securities relate is a passive foreign investment company for U.S. tax purposes. Prospective investors in any U.S. Securities that are U.S. taxpayers should consult their own advisers concerning U.S. tax considerations relevant to an investment in such U.S. Securities.

Neither this Base Prospectus nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by BNPP B.V., BNPP or any Manager that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of BNPP B.V. and/or BNPP. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or an invitation by or on behalf of BNPP B.V. or BNPP or the Managers or any other person to subscribe for or to purchase any Securities.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of BNPP B.V., BNPP or any Manager to subscribe for or purchase any securities. The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning BNPP B.V. or BNPP is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Manager undertakes to review the financial condition or affairs of BNPP B.V. or BNPP during the life of the Programme. Investors should review, *inter alia*, the most recently published audited annual non-consolidated financial statements of BNPP B.V. and/or the most recently published audited annual consolidated financial statements and unaudited semi-annual interim consolidated financial statements of BNPP, when deciding whether or not to purchase any Securities.

The distribution of this Base Prospectus and the offering of Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by BNPP B.V., BNPP and each Manager to inform themselves about and to observe any such restrictions.

In this Base Prospectus references to U.S.\$ and U.S. dollars are to United States dollars and references to euro, € and EUR are 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.

FOR NEW HAMPSHIRE RESIDENTS ONLY:

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

## AVAILABLE INFORMATION

So long as any of the U.S. Securities are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, and BNPP is not subject to and in compliance with Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, BNPP has undertaken to furnish to each Holder or beneficial owner of U.S. Securities and to any prospective purchaser, any information required to be delivered under Rule 144A(d)(4) under the Securities Act.

## FORWARD-LOOKING STATEMENTS

The sections of this Base Prospectus from, and including “*BNP Paribas Group*” to, but excluding, “*Clearing Systems*” below, as well as the Information Statement (defined below) and the other documents incorporated by reference (such sections being the “**BNP Paribas Disclosure**”) contain forward-looking statements. BNP Paribas and the BNP Paribas Group (being BNP Paribas together with its consolidated subsidiaries, the “**Group**”) may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Bank’s and/or Group’s beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and the Bank and the Group undertake no obligation to update publicly any of them in light of new information or future events.

## PRESENTATION OF FINANCIAL INFORMATION

Most of the financial data presented, or incorporated by reference, in this Base Prospectus are presented in euros. The Group began presenting its financial information in euros as of the advent of the euro on 1 January 1999.

The audited consolidated financial statements for the years ended 31 December 2006 and 31 December 2005 have been prepared in accordance with IFRS. IFRS differs in certain significant respects from generally accepted accounting principles in the United States (“**U.S. GAAP**”). For a narrative discussion of certain differences between IFRS and U.S. GAAP with respect to the financial statements, see “Summary of Certain Differences Between IFRS and U.S. GAAP” in the Information Statement incorporated by reference. The Group has made no attempt to quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of the BNP Paribas Group, the terms of any offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and how those differences might affect the information herein. The Group’s fiscal year ends on 31 December and references in the Information Statement incorporated by reference herein to any specific fiscal year are to the twelve-month period ended 31 December of such year.

Prior to 1 January 2005, the Group prepared its financial statements in accordance with French generally accepted accounting principles (“**French GAAP**”). The audited consolidated financial statements of the Bank and its consolidated subsidiaries prepared under French GAAP, including the notes thereto, as of 31 December 2004 and 2003 and for the years then ended are also included in the Information Statement incorporated by reference herein. French GAAP differs in certain significant respects from U.S. GAAP. For a narrative discussion of certain differences between the French GAAP and U.S. GAAP with respect to the Group’s audited consolidated financial statements prepared under French GAAP, see “Summary of Certain Differences Between French GAAP and U.S. GAAP for the Years Ended 31 December 2004 and 2003 included in the Information Statement incorporated by reference herein.

In this Base Prospectus and any document incorporated by reference herein, all references to “billions” are references to one thousand million. Due to rounding, the numbers presented throughout the BNP Paribas Disclosure may not add up precisely, and percentages may not reflect precisely absolute figures.

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## SUMMARY

*This summary must be read as an introduction to this Base Prospectus. Any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to any Responsible Persons in any such Member State in respect of this Summary 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 a European Economic Area State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

*Words and expressions defined in “Risk Factors”, in the applicable Conditions and in the applicable Final Terms shall have the same meanings in this summary.*

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuers</b>                      | BNP Paribas Arbitrage Issuance B.V. (“ <b>BNPP B.V.</b> ”)<br><br>BNP Paribas (“ <b>BNPP</b> ” or the “ <b>Bank</b> ”, and together with its consolidated subsidiaries, the “ <b>Group</b> ”)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Guarantor</b>                    | BNP Paribas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Description of BNPP B.V.</b>     | <p>BNPP B.V. is a limited company under Dutch law. Its objects are, among other things, to:</p> <ul style="list-style-type: none"><li>(i) borrow, lend out and collect monies, including but not limited to the issue of the acquisition of debentures, debt instruments, financial instruments such as, inter alia, warrants and certificates of any nature, with or without indexation based on, inter alia, shares, baskets of shares, stock exchange indices, currencies, commodities or futures on commodities and to enter into related agreements; and</li><li>(ii) engage in industrial, financial and commercial activities of any nature, and all other things as may be deemed incidental or conducive to the attainment of its objects.</li></ul>                                                                             |
| <b>Description of BNPP</b>          | <p>The Group (of which BNPP is the parent company) is one of the top global players in financial services, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialised and other financial activities throughout the world.</p> <p>At 31 December 2006, the Group had consolidated assets of €1,140.3 billion and shareholders’ equity (Group share including income for the 2006 fiscal year) of €49.5 billion.</p> <p>The Group currently has long-term senior debt ratings of “Aa1” with stable outlook from Moody’s, “AA” with positive outlook from Standard and Poor’s and “AA” with stable outlook from Fitch Ratings. Moody’s has also assigned the Bank a Bank Financial Strength rating of “B” and Fitch Ratings has assigned the Bank an individual rating of “A/B”.</p> |
| <b>Description of the Programme</b> | Warrant and Certificate Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## **Risk Factors (Issuers)**

There are certain factors that may affect each Issuer's ability to fulfil its obligations under Securities issued under the Programme. These include the following risk factors related to the Bank, its operations and its industry:

- (i) Eight main categories of risks are inherent in the Bank's activities:
  - Credit Risk;
  - Market and Liquidity Risk;
  - Asset-Liability Management Risk;
  - Liquidity and Refinancing Risk;
  - Insurance Underwriting Risk;
  - Operational Risk;
  - Compliance Risk; and
  - Reputation Risk
- (ii) Adverse market or economic conditions may cause a decrease in net banking income or profitability.
- (iii) The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.
- (iv) The Bank may generate lower revenues from brokerage and other commission- and fee-based businesses during market downturns.
- (v) A long term market decline can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.
- (vi) Significant interest rate variations could adversely affect the Bank's net banking income or profitability.
- (vii) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Bank's results of operations and financial condition.
- (viii) The Bank's competitive position could be harmed if its reputation is damaged.
- (ix) An interruption in or a breach of the Bank's information systems may result in lost business and other losses.
- (x) Unforeseen events can interrupt the Bank's operations and cause substantial losses and additional costs.
- (xi) The Bank is subject to extensive supervisory and regulatory regimes in France, elsewhere in Europe, the U.S., the Asia Pacific region and in the many countries around the world in which it operates; regulatory actions and changes in regulatory regimes could adversely affect the Bank's business and results.
- (xii) The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

- (xiii) The Bank's hedging strategies may not prevent losses.
- (xiv) The Bank may have difficulty in identifying and executing acquisitions, which could materially harm the Bank's results of operations.
- (xv) Intense competition, especially in the Bank's home market of France, where it has the largest single concentration of businesses, could adversely affect the Bank's net banking income and profitability.

The following risk factors relate to BNPP B.V.: BNPP B.V. is not an operating company. BNPP B.V.'s sole business is the raising and borrowing of money by issuing Securities or other obligations. BNPP B.V. has, and will have, no assets other than fees payable to it, or other assets acquired by it, in each case in connection with the issue of Securities or entry into other obligations relating to the Programme from time to time. The net proceeds from each issue of Securities issued by the Issuer will become part of the general funds of BNPP B.V. BNPP B.V. may use such proceeds to maintain positions in certain Hedging Agreements. The ability of BNPP B.V. to meet its obligations under Securities issued by it will depend on the receipt by it of payments under the relevant Hedging Agreements. Consequently, BNPP B.V. is exposed to the ability of counterparties in respect of such Hedging Agreements to perform their obligations under such Hedging Agreements.

#### **Risk Factors (Securities)**

There are also certain factors which are material for the purpose of assessing the risks related to the Securities issued under the Programme, any of which may affect the value and/or liquidity of the relevant Securities. These include:

- (i) **High degree of risk:** the Securities involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of Securities should recognise that their Securities may expire worthless.
- (ii) **Securities are Unsecured Obligations:** the Securities are unsubordinated and unsecured obligations of the relevant Issuer and will rank pari passu with themselves. The obligations of BNPP under the Guarantees are unsubordinated and unsecured obligations of BNPP and will rank pari passu with all its other present and future unsubordinated and unsecured obligations, subject as may from time to time be mandatory under French law.
- (iii) **Risks with regard to interim value of Securities:** The interim value of the Securities varies with the price level of the relevant Underlying Reference (as defined in "Risk Factors" below), as well as by a number of other interrelated factors.
- (iv) **Certain Considerations Regarding Hedging:** it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Underlying Reference.

- (v) **Effect of Credit Rating Reduction:** a reduction in the rating, if any, accorded to outstanding debt securities of BNPP B.V. or BNPP by any rating agency could result in a reduction in the trading value of the Securities.
- (vi) **Additional Risk Factors Associated with Currency Securities:** fluctuations in exchange rates may affect the value of Currency Securities. Purchasers of Currency Securities risk losing their entire investment if exchange rates of the relevant currency do not move in the anticipated direction.
- (vii) **Possible Illiquidity of the Securities in the Secondary Market:** a decrease in the liquidity of an issue of Securities may cause an increase in the volatility of the price of such issue of Securities. If an issue of Securities becomes illiquid, an investor may have to exercise (in the case of Warrants) or wait until redemption of such Securities to realise value.
- (viii) **Potential Conflicts of Interest:** BNPP B.V., BNPP and their affiliates may engage in activities which could present certain conflicts of interest and could influence the price of Securities.
- (ix) **Market Disruption Events:** if a Market Disruption Event or failure to open of a relevant exchange occurs or exists on a specified date, any consequential postponement of such date or any alternative provisions for valuation provided in any Securities may have an adverse effect on the value and liquidity of such Securities and may result in the postponement of the relevant Settlement Date or Redemption Date.
- (x) **Adjustment Events:** if a relevant Index is (i) not calculated and announced by the Index Sponsor in respect of the Index but is calculated and announced by an acceptable successor sponsor or successor entity, as the case may be, or (ii) replaced by a permitted successor index, then in each case that index will be deemed to be the Index Price. If an Index Adjustment Event occurs, except as may be limited in the case of U.S. Securities:
  - (a) the relevant Settlement Price may be calculated on a modified basis; or
  - (b) in the case of Warrants unless otherwise specified in the applicable Final Terms in the case of Certificates or unless Delayed Redemption on Occurrence of Index Adjustment Event is specified in the applicable Final Terms, the Securities may be cancelled or redeemed (“**terminated**”) and the fair market value of the Securities shall be payable, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying hedging arrangements; or
  - (c) in the case of Certificates and if Delayed Redemption on

Occurrence of Index Adjustment Event specified in the applicable Final Terms, the Calculation Agent will calculate the Calculated Amount and on the Redemption Date the Issuer will redeem the Certificates at the Calculated Amount plus accrued interest (calculated as provided in the Index Certificate Conditions) or if greater the Notional Amount of each Certificate.

(xi) **Potential Adjustment Events:** in the case of Share Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, a corresponding adjustment may be made to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms.

(xii) **Other Events relating to Share Securities:** in the case of Share Securities, if a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency occurs in relation to a Share:

- (a) adjustments may be made to any of the Terms and Conditions and/or the applicable Final Terms to account for such occurrence;
- (b) in the case of Warrants unless otherwise specified in the applicable Final Terms or in the case of Certificates, unless Delayed Redemption or Occurrence of Extraordinary Event is specified in the applicable Final Terms, the Securities may be cancelled or redeemed, as applicable in whole or in part; or
- (c) in the case of Certificates and if Delayed Redemption on Occurrence of Extraordinary Event is specified in the applicable Final Terms, the Calculation Agent will calculate the Calculated Amount and on the Redemption Date the Issuer will redeem the Certificates at the Calculated Amount plus accrued interest (calculated as provided in the Share Certificate Conditions) or if greater the Notional Amount of each Certificate.

(xiii) **Commodity Securities and Market Disruption Event:** in the case of Commodity Securities, if Disappearance of Commodity Reference Price, material Change in Formula or Material Change in Content occurs:

- (a) the relevant Settlement Price may be calculated on a modified basis;
- (b) in the case of Warrants unless otherwise specified in the applicable Final Terms or, in the case of Certificates, unless Delayed Redemption on Occurrence of Market Disruption Event is specified in the applicable Final Terms, the Securities may be cancelled or redeemed, as applicable; or
- (c) in the case of Certificates and if Delayed Redemption on Occurrence of Market Disruption Event is specified in the

applicable Final Terms, the Calculation Agent will calculate the Calculated Amount and on the Redemption Date the issuer will redeem the Certificates at the Calculated Amount plus accrued interest (calculated as provided in the Commodity Certificate Conditions) or if greater the Notional Account of each Certificate.

- (xiv) **Settlement Disruption Events:** in the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date or the Redemption Date, as the case may be, settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The relevant Issuer in these circumstances may, except in the case of U.S. Securities, also have the right to pay the Disruption Cash Settlement Price in lieu of delivering the Entitlement. The Disruption Cash Settlement Price may be less than the fair market value of the Entitlement and may be zero.
- (xv) **Option to Vary Settlement:** the Issuers may be entitled to vary the settlement of the Securities, by (i) delivering or procuring delivery of the Entitlement instead of making payment of the Cash Settlement Amount or, as applicable, (ii) making payment of the Cash Settlement Amount instead of delivering or procuring delivery of the Entitlement.
- (xvi) **Option to Substitute Assets or to Pay the Alternate Cash Settlement Amount:** the Issuers may, if any Relevant Asset comprises assets which are not freely tradable, elect either (i) to substitute a Substitute Asset for the Relevant Asset or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset, but in lieu thereof to make payment on the Settlement Date of the Alternate Cash Settlement Amount.
- (xvii) **Certificates Subject to Optional Redemption or Cancellation:** an optional or other early termination feature is likely to limit the market value of the Certificates. In the case of Certificates having an optional termination feature, prior to or during any period when the relevant Issuer may elect to terminate such Certificates, the market value of those Certificates generally will not rise substantially above the price at which they can be terminated. The Final Terms may provide that the relevant Certificates shall be terminated early in specified circumstances. Following an optional or early termination, a Holder may not be able to reinvest any termination proceeds at an effective interest rate as high as the interest rate on the relevant Certificates being terminated 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.
- (xviii) **Formula linked Interest: no Interest Amount may be payable on any Interest Payment Date:** if any interest amount is payable in respect of any Certificates, investors may not be entitled to receive any such interest amount on the relevant dates in certain specified

circumstances so indicated in the Final Terms.

(xix) **Interest linked to a Relevant Factor:** the relevant Issuer may issue Certificates with interest determined by reference to any Relevant Factor and/or payable in any currency which may be different from the currency in which the Certificates are denominated and:

- (a) the market price of such Certificates may be volatile;
- (b) payment of interest may occur at a different time or in a different currency than expected;
- (c) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (d) if the exposure to a Relevant Factor is leveraged in any respect, the effect of changes in the Relevant Factor on interest payable will be magnified;
- (e) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations; and
- (f) interest may only be payable and/or calculated in respect of certain specified days and/or periods on or during which the Relevant Factor or its value equals, exceeds and/or is less than certain specified thresholds.

(xx) **Timing of Observation Dates:** amounts, formulae and other provisions relating to Securities may be calculated by reference to specific Observation Dates and which may be postponed if certain events occur. The timing of such dates may affect the value of the relevant Securities such that the Holder may receive a lower Cash Settlement Amount, Interest Amount or other amount than otherwise would have been the case.

(xxi) **Limited Exposure to Underlying Reference:** if the exposure of the relevant Securities to one or more Underlying References is limited or capped to a certain level or amount, the relevant Securities will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

(xxii) **The Final Cash Settlement Amount or Redemption Amount May Be Significantly Less than the Value of an Investment in the Securities:** each Holder may receive a Cash Settlement Amount or Redemption Amount and/or physical delivery of specified securities together with cash for roundings. The aggregate value of such specified securities and cash may be significantly less than the value of the Holder's investment in the relevant Securities.

(xxiii) **Post-issuance Information:** applicable Final Terms may specify that the relevant Issuer will not provide post-issuance information in

relation to the Underlying Reference.

- (xxiv) **Limitations on Exercise of Warrants:** the Issuer may have the option to limit the number of Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the Final Terms and to limit the number of Warrants exercisable by any person or group of persons on such date.
- (xxv) **Minimum Exercise Amount of Warrants:** a holder may be required to tender or hold a specified number of Warrants in order to exercise. Holders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring costs in each case, to realise their investment. Holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount or the Physical Settlement Value of such Warrants.
- (xxvi) **Time Lag after Exercise of Warrants:** in the case of any exercise of Warrants, there will be a time lag between the time a holder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined. The applicable Cash Settlement Amount may change significantly during any such period, and such movement could decrease the Cash Settlement Amount of the relevant Warrants and may result in such Cash Settlement Amount being zero.
- (xxvii) **Risk factors relating to market access products:** the Securities are structured as a market access product such that the Issuer's obligations may be hedged by means of one or more Index, Share, Fund Share or unit or other instrument used for the purposes of hedging obligations. Economic and other risks associated with such instruments shall be assumed by prospective purchasers of the Securities. The Securities are not principal protected or guaranteed, no assurances can be given as to the liquidity of any trading market for the Securities, and purchasers should be aware that the probability of the occurrence of a Hedging Disruption event and consequently loss of principal or profit, may be higher for certain developing or emerging markets.
- (xxviii) **Other Adjustments:** the Issuer has the right to make other adjustments to the terms of the Securities as more fully described in the Conditions.

## Securities

Securities may be issued as index Securities ("**Index Securities**"), share Securities ("**Share Securities**"), GDR Securities ("**GDR Securities**"), debt Securities ("**Debt Securities**"), currency Securities ("**Currency Securities**"), commodity Securities ("**Commodity Securities**"), inflation index Securities ("**Inflation Index Securities**"), fund Securities ("**Fund Securities**"), credit Securities ("**Credit Linked Securities**") or any other or further type of warrants or certificates including as hybrid Securities



(“**Hybrid Securities**”) whereby the Underlying Reference may be any combination of such indices, shares, debt, currency, commodities, inflation indices, fund shares or units, the credit of specified reference entities or other asset classes or types.

**Listing and admission to trading**

Securities of a particular Series may be listed and admitted to trading on the Luxembourg Stock Exchange or on such other or additional stock exchanges as may be specified in the applicable Final Terms and references to listing shall be construed accordingly.

**Selling Restrictions**

There are restrictions on the sale of Securities and the distribution of offering material — see “*Offering and Sale*” below.

**Status of the Securities and Guarantee**

The Securities are unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves.

Where the Issuer is BNPP B.V., the relevant Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.

**Taxation**

A holder of Securities must pay all specified expenses relating to the Securities.

Neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security and all payments made by the relevant Issuer or the Guarantor shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

**Governing Law**

The Securities and any related Guarantee will be governed by English or French Law as specified in the applicable Final Terms.

## RISK FACTORS

*Prospective purchasers of the Securities offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all of the information in this Document and, in particular, the risk factors set forth below (which each Issuer, in its reasonable opinion, believes represents or may represent the risk factors known to it which may affect such Issuer's ability to fulfil its obligations under the Securities) in making an investment decision. Investors may lose the value of their entire investment in certain circumstances.*

Terms used in this section and not otherwise defined have the meanings given to them in the relevant Conditions.

### **Risks Related to the Bank and its Operations**

See the section entitled Risk Factors contained on pages 5 to 10 of the Information Statement which is incorporated by reference in this Base Prospectus.

### **RISK FACTORS RELATING TO BNPP B.V.**

BNPP B.V. is not an operating company. BNPP B.V.'s sole business is the raising and borrowing of money by issuing Securities or other obligations. BNPP B.V. has, and will have, no assets other than such fees (as agreed) payable to it, or other assets acquired by it, in each case in connection with the issue of Securities or entry into other obligations relating to the Programme from time to time. The net proceeds from each issue of Securities issued by the Issuer will become part of the general funds of BNPP B.V. BNPP B.V. may use such proceeds to maintain positions in options or futures contracts or other hedging instruments ("**Hedging Agreements**"). The ability of BNPP B.V. to meet its obligations under Securities issued by it will depend on the receipt by it of payments under the relevant Hedging Agreements. Consequently, BNPP B.V. is exposed to the ability of counterparties in respect of such Hedging Agreements to perform their obligations under such Hedging Agreements.

### **RISK FACTORS RELATING TO SECURITIES**

The Securities involve a high degree of risk, which may include, price risks associated with the Underlying Reference (as defined below), among others, interest rate, foreign exchange, inflation, time value and political risks. Prospective purchasers of Securities should recognise that their Securities may expire worthless or be redeemed for no value. Purchasers should be prepared to sustain a total loss of the purchase price of their Securities. This risk reflects the nature of a Security as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires or is redeemed. See "*Certain Factors Affecting the Value and Trading Price of Securities*" below. Prospective purchasers of Securities should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular underlying index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), inflation index (or basket of inflation indices), fund share or unit (or basket of fund shares or units), or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms (such reference being the "**Underlying Reference**"). The Issuer may also issue Securities linked to the credit of a specified entity (or entities).

The risk of the loss of some or all of the purchase price of a Security upon expiration or redemption means that, in order to recover and realise a return upon his or her investment, a purchaser of a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value or credit risk of the Underlying Reference which may be specified in the applicable Final Terms. Assuming all other factors are held constant, the lower the value of a Security and the shorter the remaining term of a Warrant to expiration or a Certificate to redemption, the greater the risk that purchasers of such Securities will lose all or part of their investment. With respect to Certificates and European-

style Warrants, the only means through which a holder can realise value from the Warrant or Certificate, as the case may be, prior to its Exercise Date or Redemption Date in relation to such Warrant or Certificate, as the case may be, is to sell it at its then market price in an available secondary market. See *“Possible Illiquidity of the Securities in the Secondary Market”* below.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Securities or Inflation Index Securities. Fluctuations in the price of the relevant share or value of the basket of shares will affect the value of Share Securities. Fluctuations in the price or yield of the relevant debt instrument or value of the basket of debt instruments will affect the value of Debt Securities. Fluctuations in the rates of exchange between the relevant currencies will affect the value of Currency Securities. Fluctuations in value of the relevant inflation index or basket of inflation indices will affect the value of Inflation Securities. Fluctuations in value of the relevant fund share or units or basket of fund shares or units will affect the value of the Fund Securities. Fluctuations in the creditworthiness of the relevant reference entity or entities will affect the value of the Credit Linked Securities. Also, due to the character of the particular market on which a debt instrument is traded, the absence of last sale information and the limited availability of quotations for such debt instrument may make it difficult for many investors to obtain timely, accurate data for the price or yield of such debt instrument. Fluctuations in the value of the relevant commodity or basket of commodities will affect the value of Commodity Securities. In the case of Hybrid Securities whose Underlying Reference is any combination of such indices, shares, debt, currencies, commodities, inflation indices or any other asset class or type, fluctuations in the value of any one or more of such Underlying References will correspondingly affect the value of Hybrid Securities. Purchasers of Securities risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

### **Securities are Unsecured Obligations**

The Securities are unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* with themselves. Each issue of Securities issued by BNPP B.V. will be guaranteed by BNPP pursuant to the English Guarantee, in the case of English Law Securities, or the French Law Guarantee, in the case of French Law Securities. The obligations of BNPP under the Guarantees are unsubordinated and unsecured obligations of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations, subject as may from time to time be mandatory under French law.

Each Issuer may issue several issues of Securities relating to various Underlying References. However, no assurance can be given that the relevant Issuer will issue any Securities other than the Securities to which a particular Final Terms relates. At any given time, the number of Securities outstanding may be substantial. Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. In general, certain of the risks associated with Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. Options, warrants or certificates on shares, debt instruments or fund shares or units are priced primarily on the basis of the value of underlying securities whilst Currency and Commodity Securities are priced primarily on the basis of present and expected values of the reference currency (or basket of currencies) or commodity (or basket of commodities) specified in the applicable Final Terms.

### **Certain Factors Affecting the Value and Trading Price of Securities**

Either (1) the Cash Settlement Amount (in the case of Cash Settled Securities) or (2) (i) the difference in the value of the Entitlement and the Exercise Price (in the case of Physical Delivery Warrants) or (ii) the value of the Entitlement (in the case of Physical Delivery Certificates) ((2)(i) or (2)(ii), as applicable, the **“Physical Settlement Value”**) at any time prior to expiration or redemption is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the “time value” of the Securities. The “time value” of the Securities will depend partly upon the length of the period remaining to expiration or redemption and expectations concerning the value of the Underlying Reference as specified in the applicable Final Terms. Securities offer hedging and investment

diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price level of the Underlying Reference as specified in the applicable Final Terms, as well as by a number of other interrelated factors, including those specified herein.

Before exercising (in the case of Warrants) or selling Securities, holders should carefully consider, among other things, (a) the trading price of the Securities, (b) the value and volatility of the Underlying Reference as specified in the applicable Final Terms, (c) the time remaining to expiration or redemption, as the case may be, (d) in the case of Cash Settled Securities, the probable range of Cash Settlement Amounts, (e) any change(s) in interim interest rates and dividend yields if applicable, (f) any change(s) in currency exchange rates, (g) the depth of the market or liquidity of the Underlying Reference as specified in the applicable Final Terms and (h) any related transaction costs.

### **Certain Considerations Regarding Purchasing Securities as Hedges**

Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in the Underlying Reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the Underlying Reference which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the Underlying Reference which may be specified in the applicable Final Terms. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Underlying Reference. In addition, in certain cases, the ability of holders to use Securities for hedging may be restricted by the provisions of the Securities Act.

### **Effect of Credit Rating Reduction**

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the relevant Issuer and, if applicable, the Guarantor. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of BNPP B.V. or BNPP 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 BNPP B.V. or BNPP by one of these rating agencies could result in a reduction in the trading value of the Securities.

### **Certain Additional Risk Factors Associated with Currency Securities**

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Securities. Furthermore, investors who intend to convert gains or losses from the exercise, redemption or sale of Currency Securities into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Purchasers of Currency Securities risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

If additional warrants, securities or options relating to particular non-U.S. currencies or particular currency indices are subsequently issued, the supply of warrants and options relating to such non-U.S. currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Securities and such other warrants, securities and options trade in the secondary market to decline significantly.

### **Certain Additional Risk Factors relating to Credit Linked Securities**

The Issuers may issue Securities where the amount payable is dependent upon whether certain events ("**Credit Events**") have occurred in respect of a specified entity (the "**reference entity**") and, if so, on the value of certain

specified assets of the reference entity or where, if such events have occurred, such Issuers' obligation is to deliver certain specified assets.

The price of such Securities may be volatile and will be affected by, amongst other things, the time remaining to the settlement date or redemption date and the creditworthiness of the reference entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Where the Securities provide for physical delivery, the Issuer may determine that the specified assets to be delivered are 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. Any such determination may delay settlement in respect of the Securities 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 Securities and, in the case of payment of a cash amount, will affect the timing of the valuation of such Securities and as a result, the amount payable on exercise or redemption. Prospective purchasers should review the Terms and Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions should apply to the Securities.

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

#### **Possible Illiquidity of the Securities in the Secondary Market**

It is not possible to predict the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list Securities on a stock exchange (application has been made to list the Securities on the Luxembourg Stock Exchange and to admit the Securities for trading described herein on the "*Bourse de Luxembourg*" (the "**Regulated Market**") and/or the EuroMTF Market, as the case may be, and application may be made to list Securities on other stock exchanges). Also, to the extent Securities of a particular issue are exercised or redeemed, the number of Securities of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Securities of such issue. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities.

Each Issuer and any Manager may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private offer/treaty. Any Securities so purchased may be held or resold or surrendered for cancellation as further described herein. A Manager may, but is not obliged to, be a market-maker for an issue of Securities. Even if a Manager is a market-maker for an issue of Securities, the secondary market for such Securities may be limited. In addition, affiliates of each Issuer (including the relevant Manager as referred to above) may purchase Securities at the time of their initial distribution and from time to time thereafter. To the extent that an issue of Securities becomes illiquid, an investor may have to exercise or wait until redemption of such Securities, as applicable, to realise greater value than its then trading value.

#### **Potential Conflicts of Interest**

BNPP B.V., BNPP and their affiliates (including, if applicable, any Manager) may also engage in trading activities (including hedging activities) related to the Underlying Reference or Reference Entity of any Securities and other instruments or derivative products based on or related to the Underlying Reference or Reference Entity of any Securities for their proprietary accounts or for other accounts under their management. BNPP B.V., BNPP and their affiliates (including, if applicable, any Manager) may also issue other derivative instruments in respect of the Underlying Reference of Securities. BNPP B.V., BNPP and their affiliates (including, if applicable, any Manager) may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Securities or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a

commercial banking capacity for such companies. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities.

Because the Calculation Agent (as defined below) may be an affiliate of the Issuers, potential conflicts of interest may exist between the Calculation Agent and holders of the Securities, including with respect to certain determinations and judgments that the Calculation Agent must make, including whether a Market Disruption Event or a Settlement Disruption Event (each, as defined below) has occurred. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment.

### **Market Disruption Events or failure to open of an exchange**

If an issue of Securities includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a Valuation Date (as defined below), an Averaging Date (as defined below) or an Observation Date (as defined below) and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such Valuation Date, such Averaging Date or such Observation Date, any consequential postponement of the Valuation Date, Averaging Date or Observation Date or any alternative provisions for valuation provided in any Securities may have an adverse effect on the value and liquidity of such Securities. The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Underlying Reference comprising a basket may also have such an adverse effect on Securities related to such basket. In addition, any such consequential postponement may result in the postponement of the relevant Settlement Date or Redemption Date.

### **Adjustment Events relating to Index Securities**

In the case of Index Securities, if a relevant Index is (i) not calculated and announced by the Index Sponsor in respect of the Index but is calculated and announced by a successor sponsor or successor entity, as the case may be, 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 that Index, then in each case that index will be deemed to be the Index. In addition, if an Index Modification, an Index Cancellation or an Index Disruption (each as defined below) occurs (each being an Index Adjustment Event), then, except as may be limited in the case of U.S. Securities,

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Price on a modified basis as set out in the Conditions; or
- (ii) in the case of Warrants unless otherwise specified in the applicable Final Terms or in the case of Certificates, unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as applicable in the applicable Final Terms, the Issuer may cancel or redeem, as the case may be, the Securities. If the Securities are so cancelled or redeemed, the amount payable to each Holder in respect of each Security or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by it shall be the fair market value of a Security or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; or
- (iii) in the case of Certificates and if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "Calculated Additional Disruption Amount") as soon as practicable following the occurrence of the Index Adjustment Event (the "Calculated Additional Disruption Amount Determination Date") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

#### **Potential Adjustment Events relating to Share Securities**

In the case of Share Securities, except as may be limited in the case of U.S. Securities, following the declaration by the Basket Company or Share Company, as the case may be, 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 Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion 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, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Share Securities.

#### **Other Events relating to Share Securities**

In the case of Share Securities, if a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below (except as may be limited in the case of U.S. Securities):

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment, in which case such adjustment may have an adverse effect on the value and liquidity of the affected Share Securities; or
- (ii) in the case of Warrants unless otherwise specified in the applicable Final Terms or in the case of Certificates, unless Delayed Redemption on Occurrence of Extraordinary Event is specified as applicable in the applicable Final Terms, cancel or redeem, as the case may be, part (in the case of Share Securities relating to a basket of Shares) or all (in any other case) of the Securities, in which case following such cancellation, 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 relevant Securities being redeemed and may only be able to do so at a significantly lower rate and potential investors should consider reinvestment risk in light of other investments available at that time; or
- (iii) in the case of Certificates and if Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "Calculated Additional Disruption Amount") as soon as practicable following the occurrence of the relevant event (the "Calculated Additional Disruption Amount Determination Date") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

#### **Commodity Securities and Market Disruption Event**

If a Disappearance of Commodity Reference Price, or a Material Change in Formula, or a Material Change in Content, then:

- (i) The Calculation Agent will determine if such event has a material effect on the Securities and, if so, will calculate the relevant Interest Amount and/or Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price for the relevant Commodity, the price for that Commodity as at the time specified on the relevant Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity and any other information that in good faith it deems relevant; or
- (ii) in the case of Warrants unless otherwise specified in the applicable Final Terms or in the case of Certificates unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders, the Issuer will redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of such Certificate, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; or
- (iii) in case of Certificates and if Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent will calculate the fair market value of each Certificate, taking into account the Market Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Market Disruption Amount**”) as soon as practicable following the occurrence of the Market Disruption Event (the “**Calculated Market Disruption Amount Determination Date**”) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Additional Market Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

#### **Settlement Disruption Events**

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date or the Redemption Date respectively, settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The relevant Issuer in these circumstances also has the right to pay the Disruption Cash Settlement Price (as defined below) in lieu of delivering the Entitlement. As further described below, the Disruption Cash Settlement Price may be less than the fair market value of the Entitlement.

#### **Option to Vary Settlement**

If so indicated in the Final Terms, the Issuers may, in their sole and absolute discretion, elect to vary the settlement of the Securities, by (i) in the case of Cash Settled Securities, delivering or procuring delivery of the Entitlement instead of making payment of the Cash Settlement Amount to the relevant Holders or (ii) in the case of Physical Delivery Securities, making payment of the Cash Settlement Amount to the relevant Holders instead of delivering or procuring delivery of the Entitlement.

#### **Option to Substitute Assets or to Pay the Alternate Cash Amount**

The Issuers may, in their sole and absolute discretion, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets as the case may be, comprises assets which are not freely tradable, elect either (i) to substitute a Substitute Asset or Substitute Assets, as the case may be, for the Relevant Asset or Relevant Assets or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets as the case may be, to the relevant holders, but in lieu thereof to make payment to the relevant holders on the Settlement Date of the Alternate Cash Amount.



### **Certificates Subject to Optional Redemption or Cancellation by the Relevant Issuer or Other Early Redemption or Cancellation**

An optional or other early redemption (or cancellation) feature is likely to limit the market value of the Certificates. In the case of Certificates having an optional redemption (or cancellation) feature, during any period when the relevant Issuer may elect to redeem (or cancel) the relevant Certificates, the market value of those Certificates generally will not rise substantially above the price at which they can be redeemed (or cancelled). This also may be true prior to any redemption (or cancellation) period. In addition, the Final Terms may provide that the relevant Certificates shall be redeemed (or cancelled) early in specified circumstances. Following an optional or early redemption (or cancellation), a Holder generally would not be able to reinvest the redemption (or cancellation) proceeds (if any) at an effective interest rate as high as the interest rate on the relevant Certificates being redeemed (or cancelled) 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.

### **Formula Linked Interest: no Interest Amount may be payable on any Interest Payment Date**

If any Interest Amount is payable in respect of any Certificates, investors may not be entitled to receive any such Interest Amount on the relevant dates in certain specified circumstances so indicated in the Final Terms.

### **Interest linked to a Relevant Factor**

The relevant Issuer may issue Certificates with interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). In addition, the relevant Issuer may issue Certificates with interest payable in one or more currencies which may be different from the currency in which the Certificates are denominated. Potential investors should be aware that:

- (i) the market price of such Securities may be volatile;
- (ii) they may receive no interest;
- (iii) payment of interest may occur at a different time or in a different currency than expected;
- (iv) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (v) if a Relevant Factor is applied to Certificates in conjunction with a weighting greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on interest payable will be magnified;
- (vi) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations (in general, the earlier the change in the Relevant Factor, the greater the effect on yield); and
- (vii) interest may only be payable and/or calculated in respect of certain specified days and/or periods on or during which the Relevant Factor or its value equals, exceeds and/or is less than certain specified thresholds.

### **Limited Exposure to Underlying Reference**

If the applicable Final Terms provide that the exposure of the relevant Securities to one or more Underlying References is limited or capped to a certain level or amount, the relevant Securities will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

### **The Final Cash Settlement Amount or Redemption Amount May Be Less than the Value of an Investment in the Securities**

Each Holder may receive a Cash Settlement Amount or Redemption Amount and/or physical delivery of the Entitlement the aggregate value of which may be less and in certain circumstances significantly less than the value of the Holder's investment in the relevant Securities.

### **Certain Additional Risk Factors Relating to market access products**

Prospective purchasers of the Securities should note that the Securities are market access products in that the Issuer's obligations in respect thereof may be hedged by means of the Share(s), the Index, the Shares comprised in the Index, the Shares relating to the depositary receipts, the Debt Securities and/or any instrument used for the purposes of hedging obligations under the Securities being held by a Qualified Investor which is a company within the Issuer's group. Although the prospective purchaser of the Securities will have no proprietary interest in such Share(s), the Index, the Shares comprised in the Index, the Shares relating to the depositary receipts, the Debt Securities and/or any instrument used for the purposes of hedging obligations under the Securities however the economic and other risks associated with such Shares, the Index, the Shares comprised in the Index, the Shares relating to the depositary receipts, the Debt Securities and/or instrument shall be assumed by the prospective purchasers of Securities as set out further in the Warrant Conditions or the Certificate Conditions.

No assurance can be given as to the liquidity of any trading market for the Securities. Prospective purchasers of the Securities should note that the liquidity of any trading market for the Securities is directly linked to the liquidity of any trading market for the Shares, the depositary receipts, the Debt Securities or the Index or contracts or instruments which reference the Index.

Prospective purchasers of the Securities should also be aware that the probability of the occurrence of a Hedging Disruption Event (or other Adjustment Event under the relevant legal terms as set out further in the Warrant Conditions or the Certificate Conditions) and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets such as the Islamic Republic of Pakistan, Indonesia, Malaysia, Thailand, India, People's Republic of China, Korea, Taiwan and the Socialist Republic of Vietnam. Prospective purchasers are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

### **Post-issuance Information**

Applicable Final Terms may specify that the relevant Issuer will not provide post-issuance information in relation to the Underlying Reference. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

### **Certain Additional Risk Factors Associated with Warrants**

#### **Limitations on Exercise of Warrants**

If so indicated in the Final Terms, the relevant Issuer will have the option to limit the number of Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a holder may not be able to exercise on such date all Warrants that such holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the Final Terms,

the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

#### **Minimum Exercise Amount of Warrants**

If so indicated in the Final Terms, a holder must tender or, in the case of automatic exercise, hold, a specified number of Warrants at any one time in order to exercise. Thus, holders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Physical Settlement Value (in the case of Physical Delivery Warrants) of such Warrants.

#### **Time Lag after Exercise of Warrants**

In the case of any exercise of Warrants, there will be a time lag between the time a holder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the applicable Final Terms or the applicable Terms and Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation, the occurrence of a Market Disruption Event or failure to open of an exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Warrants. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the relevant Warrants and may result in such Cash Settlement Amount being zero.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Base Prospectus and that have been filed with the Luxembourg competent authority for the purpose of the Prospectus Directive, and shall be incorporated in, and form part of, this Base Prospectus:

- (a) an information statement relating to BNPP, dated 30 May 2007 (the “**Information Statement**”);
- (b) the audited consolidated financial statements of BNP Paribas as at, and for the years ended, 31 December 2005 and 2006 (the “**BNPP 2005 Financial Statements**” and the “**BNPP 2006 Financial Statements**” respectively, such financial statements being available as part of the respective statutory auditors’ reports thereon (together, the “**BNPP Auditors’ Reports**”)), and the related notes and the BNPP Auditors’ Reports as contained, respectively, in BNP Paribas’ Annual Reports for 2005 (the “**2005 BNPP Annual Report**”) and in BNP Paribas' *document de référence* in English for 2006 (the “**2006 BNPP Registration Document**”); and
- (c) the audited annual non-consolidated financial statements of BNPP B.V. as at, and for the two years ended, 31 December 2005 and 2006 (the “**BNPP B.V. 2005 Financial Statements**” and the “**BNPP B.V. 2006 Financial Statements**” respectively, such financial statements being available as part of the respective statutory auditors’ reports thereon (together, the “**BNPP B.V. Auditors’ Reports**”)), and the related notes and the BNPP B.V. Auditors’ Reports as contained, respectively, in BNPP B.V.’s Annual Report for 2005 (the “**2005 BNPP B.V. Annual Report**”) and for 2006 (the “**2006 BNPP B.V. Annual Report**”),

save that any statement contained in a document all or the relevant portion of which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that such statement is inconsistent with a statement contained in this Base Prospectus.

The information incorporated by reference above is available as follows:

| Information Incorporated by Reference                                                               | Reference                                     |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>BNP PARIBAS</b>                                                                                  |                                               |
| <i>Information Statement</i>                                                                        |                                               |
| Risk Factors                                                                                        | Pages 5 to 10 of the Information Statement    |
| Selected Financial Data                                                                             | Pages 11 to 14 of the Information Statement   |
| Management’s Discussion and Analysis of Results of Operations and Financial Condition               | Pages 18 to 64 of the Information Statement   |
| Recent Developments including the Issuer’s 1st quarter results for the 3 months ended 31 March 2007 | Pages 65 to 75 of the Information Statement   |
| Business of the Group                                                                               | Pages 76 to 96 of the Information Statement   |
| Risk Management                                                                                     | Pages 97 to 127 of the Information Statement  |
| Governmental Supervision and Regulation of BNP Paribas in France                                    | Pages 128 to 130 of the Information Statement |
| Capital Adequacy of the BNP Paribas Group                                                           | Pages 131 to 137 of the Information Statement |

| <b>Information Incorporated by Reference</b>                        | <b>Reference</b>                                        |
|---------------------------------------------------------------------|---------------------------------------------------------|
| Management of the Bank                                              | Pages 138 to 144 of the Information Statement           |
| Independent Statutory Auditors                                      | Page 145 of the Information Statement                   |
| Summary of Certain Differences Between IFRS and U.S. GAAP           | Pages A-1 to A-13 of the Information Statement          |
| Index to Consolidated Financial Statements                          | Page F-1 of the Information Statement                   |
| <i>BNPP 2005 Financial Statements</i>                               |                                                         |
| Consolidated Balance Sheet                                          | Page 189 of the 2005 BNPP Annual Report                 |
| Consolidated Profit & Loss Account                                  | Page 188 of the 2005 BNPP Annual Report                 |
| Consolidated Statement of Cashflows                                 | Page 192 of the 2005 BNPP Annual Report                 |
| Appendices/Notes                                                    | Pages 193 to 313 of the 2005 BNPP Annual Report         |
| Statutory Auditor's Report of the Consolidated Financial Statements | Pages 314 & 315 of the 2005 BNPP Annual Report          |
| <i>BNPP 2006 Financial Statements</i>                               |                                                         |
| Consolidated Balance Sheet                                          | Page 105 of the 2006 BNPP Registration Document         |
| Consolidated Profit & Loss Account                                  | Page 104 of the 2006 BNPP Registration Document         |
| Consolidated Statement of Cashflows                                 | Page 108 of the 2006 BNPP Registration Document         |
| Appendices/Notes                                                    | Pages 109 to 191 of the 2006 BNPP Registration Document |
| Statutory Auditor's Report of the Consolidated Financial Statements | Pages 192 to 193 of the 2006 BNPP Registration Document |
| <b>BNP PARIBAS ARBITRAGE ISSUANCE B.V.</b>                          |                                                         |
| <i>BNPP B.V. 2005 Financial Statements</i>                          |                                                         |
| Balance Sheet                                                       | Page 4 of the 2005 BNPP B.V. Annual Report              |
| Profit & Loss Account                                               | Page 5 of the 2005 BNPP B.V. Annual Report              |
| Statement of Cashflows                                              | Page 6 of the 2005 BNPP B.V. Annual Report              |
| Appendices/Notes                                                    | Page 7 of the 2005 BNPP B.V. Annual Report              |
| Statutory Auditor's Report of the Financial Statements              | Page 19 of the 2005 BNPP B.V. Annual Report             |
| <i>BNPP B.V. 2006 Financial Statements</i>                          |                                                         |
| Balance Sheet                                                       | Page 5 of the 2006 BNPP B.V. Annual Report              |
| Profit & Loss Account                                               | Page 6 of the 2006 BNPP B.V. Annual Report              |
| Statement of Cashflows                                              | Page 7 of the 2006 BNPP B.V. Annual Report              |

| <b>Information Incorporated by Reference</b>           | <b>Reference</b>                                   |
|--------------------------------------------------------|----------------------------------------------------|
| Appendices/Notes                                       | Pages 8 to 16 of the 2006 BNPP B.V. Annual Report  |
| Statutory Auditor's Report of the Financial Statements | Pages 18 to 19 of the 2006 BNPP B.V. Annual Report |

Further, for the purposes of the Prospectus Directive, information can be found in such documents incorporated by reference or this Base Prospectus in accordance with the following cross-reference table (in which the numbering refers to the relevant Sections of Annex XI of Regulation EC 809/2004):

|            |                                                           |
|------------|-----------------------------------------------------------|
| <b>3.</b>  | <b>RISK FACTORS</b>                                       |
| 3.1.       | <i>See pages 5 to 10 of the Information Statement</i>     |
| <b>4.</b>  | <b>INFORMATION ABOUT THE ISSUERS</b>                      |
| 4.1.5      | <i>See pages 65 to 74 of the Information Statement</i>    |
| <b>5.</b>  | <b>BUSINESS OVERVIEW</b>                                  |
| 5.1.       | Principal activities:                                     |
| 5.1.1.     | <i>See pages 80 to 94 of the Information Statement</i>    |
| 5.1.3      | <i>See page 75 of the Information Statement</i>           |
| 5.1.4      | <i>See page 75 of the Information Statement</i>           |
| <b>6.</b>  | <b>ORGANISATIONAL STRUCTURE</b>                           |
| 6.1.       | <i>See page 75 of the Information Statement</i>           |
| <b>7.</b>  | <b>TREND INFORMATION</b>                                  |
| 7.2        | <i>See pages 18 to 19 of the Information Statement</i>    |
| <b>9.</b>  | <b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b> |
| 9.1.       | <i>See pages 137 to 143 of the Information Statement</i>  |
| <b>10.</b> | <b>MAJOR SHAREHOLDERS</b>                                 |
| 10.1.      | <i>See page 95 of the Information Statement</i>           |

Information contained in the documents incorporated by reference other than information listed in the tables above is for information purposes only.

Each Issuer will provide, free of charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which or portions of which are incorporated herein by reference. Written or oral requests for such documents should be directed to the relevant Issuer at its principal office set out at the end of this Base Prospectus. In addition, copies of any documents incorporated by reference will be made available, free of charge, by BNP Paribas Securities Services, Luxembourg Branch (“BNPSS”), BNP Paribas Arbitrage SNC (“BNPA”) and the other Warrant Agents and Certificate Agents (each as defined below). Requests for such documents should be directed to the specified office of such Warrant Agent or Certificate Agent.

Such documents will, along with this Base Prospectus, be available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).]

## GENERAL DESCRIPTION OF THE PROGRAMME

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuers</b>                      | <p>BNP Paribas Arbitrage Issuance B.V. (“<b>BNPP B.V.</b>”)</p> <p>BNP Paribas (“<b>BNPP</b>” or the “<b>Bank</b>” and, together with its consolidated subsidiaries, the “<b>Group</b>”)</p>                                                                                                                                                                                                                                                                                                                                            |
| <b>Guarantor</b>                    | BNP Paribas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Description of the Programme</b> | Warrant and Certificate Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Securities</b>                   | <p>Securities may be issued as Index Securities, Share Securities, Debt Securities, Currency Securities, Commodity Securities, Inflation Securities, Fund Securities, Credit Linked Securities or any other or further type of warrants or certificates including Hybrid Securities where the Underlying Reference may be any combination of such indices, shares, debt securities, currencies, commodities, inflation indices, funds or other asset classes or types.</p>                                                              |
| <b>Taxation</b>                     | <p>A holder of Securities must pay all specified expenses relating to the Securities.</p> <p>Neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security and all payments made by the relevant Issuer or the Guarantor shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.</p> |
| <b>Governing Law</b>                | The Securities and any related Guarantee will be governed by English or French Law as specified in the applicable Final Terms.                                                                                                                                                                                                                                                                                                                                                                                                          |



## FORM OF FINAL TERMS FOR WARRANTS

### FINAL TERMS DATED [●]

#### BNP Paribas Arbitrage Issuance B.V.

*(incorporated in The Netherlands)  
(as Issuer)*

#### BNP Paribas

*(incorporated in France)  
(as Issuer and Guarantor)  
(Warrant and Certificate Programme)*

*[insert title of Warrants]*

### 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 [●] [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Warrants 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]. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the “**Issuer**”) and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus is available for viewing at [address] [and] [website] and copies may be obtained free of charge at the specified office of the Warrant Agents and Certificate Agents.]

*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 Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated] [●]]. This document constitutes the Final Terms of the Warrants 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 [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated] [●]] and are attached hereto. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the “**Issuer**”) and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the Supplement to the Base Prospectus dated] [●]]. [The Base Prospectuses are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[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 directions for completing the Final Terms.]*

References herein to numbered Conditions are to the terms and conditions of the relevant series of Warrants and words and expressions defined in such terms and conditions shall bear the same meaning in this Final Terms in so far as it relates to such series of Warrants, save as where otherwise expressly provided.

*[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]*

This Final Terms relates to the series of Warrants as set out in “Specific Provisions for each Series” below. References herein to “Warrants” shall be deemed to be references to the relevant Warrants that are the subject of this Final Terms and references to “Warrants” and “Warrant” shall be construed accordingly.

1. Issuer: [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas]<sup>1</sup>
2. [Guarantor: BNP Paribas]

### SPECIFIC PROVISIONS FOR EACH SERIES

| SERIES NUMBER | NO. OF WARRANTS ISSUED | OF [NO. OF WARRANTS PER UNIT] | ISIN <sup>2</sup> | COMMON CODE | ISSUE PRICE PER [WARRANT/UNIT] | CALL/PUT   | EXERCISE PRICE        | [[EXERCISE PERIOD]/[DATE]] | [RELEVANT JURISDICTION <sup>3</sup> ] | [SHARE AMOUNT/DEBT SECURITY AMOUNT] |
|---------------|------------------------|-------------------------------|-------------------|-------------|--------------------------------|------------|-----------------------|----------------------------|---------------------------------------|-------------------------------------|
| [●]           | [●]                    | [●]                           | [●]               | [●]         | [INSERT CURRENCY] [●]          | [CALL/PUT] | [INSERT CURRENCY] [●] | [●] [TO [●]]               | [●]                                   | [●]                                 |
| [●]           | [●]                    | [●]                           | [●]               | [●]         | [INSERT CURRENCY] [●]          | [CALL/PUT] | [INSERT CURRENCY] [●] | [●] [TO [●]]               | [●]                                   | [●]                                 |

### GENERAL PROVISIONS

The following terms apply to each series of Warrants:

3. Trade Date: The trade date of the Warrants is [●].
4. Issue Date: The issue date of the Warrants is [●].
5. Consolidation: The Warrants are to be consolidated and form a single series with the [insert title of relevant series of warrants] issued on [insert issue date].
6. Type of Warrants: The Warrants are [Index Warrants / Share Warrants / Fund Warrants / GDR Warrants / Debt Warrants/Currency Warrants<sup>3</sup> /Commodity Warrants<sup>4</sup> /Inflation Index Warrants<sup>5</sup> / Fund Warrants<sup>6</sup> / Credit Linked Warrants<sup>7</sup> / Hybrid Warrants<sup>8</sup> (specify other type of Warrants)].
  - (i) The Warrants are [European/American/(specify other)] Style Warrants.
  - (ii) The Warrants are [Turbo/Quanto/Digital/[Bull/Bear/Capped] Spread] Call Warrants or [Turbo/Quanto/Digital/[Bull/Bear/ Floored] Spread] Put Warrants [specify other] as set out in “Specific Provisions for each Series” above [or such other Warrants being “**Specific Products**” in relation to which Part C (Specific Product Contractual Terms) applies].
  - (iii) Automatic Exercise [applies/does not apply]. (N.B. Automatic Exercise

<sup>1</sup> Only BNP Paribas may issue U.S. Warrants.

<sup>2</sup> DTC: CUSIP – include for U.S. Warrants.

<sup>3</sup> Currency Warrants or Hybrid Warrants containing a currency component cannot be U.S Warrants.

<sup>4</sup> Commodity Warrants or Hybrid Warrants containing a commodity component cannot be U.S Warrants.

<sup>5</sup> Inflation Index Warrants or Hybrid Warrants containing an inflation component cannot be U.S Warrants.

<sup>6</sup> Fund Warrants or Hybrid Warrants containing a fund component cannot be U.S. Warrants.

<sup>7</sup> Credit Linked Warrants or Hybrid Warrants containing a fund component cannot be U.S. Warrants.

<sup>8</sup> Hybrid Warrants that contain a currency, commodity or inflation component cannot be U.S Warrants.

*may only apply in relation to Cash Settled Warrants).*

7. Form of Warrants: [Clearing System Global Warrant]/[Registered Global Warrant.]  
[Dematerialised bearer form (*au porteur*)<sup>9</sup>] [Rule 144A Global Warrant]<sup>10</sup>  
[Private Placement Definitive Warrant]<sup>10</sup> [Regulation S Global Warrant]<sup>10</sup>
8. Business Day Centre(s): The applicable Business Day Centre[s] for the purposes of the definition of “Business Day” in Condition 4 [is/are] [●].
9. Settlement: Settlement will be by way of [cash payment (Cash Settled Warrants)]  
[and/or] [physical delivery (Physical Delivery Warrants)].
10. Variation of Settlement:
  - (i) Issuer’s option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Warrants.<sup>11</sup>
  - (ii) Variation of Settlement of Physical Delivery Warrants: [Notwithstanding the fact that the Warrants are Physical Delivery Warrants, the Issuer may make payment of the Cash Settlement Amount on the Settlement Date and the provisions of Condition 5(D) will apply to the Warrants./The Issuer will procure delivery of the Entitlement in respect of the Warrants and the provisions of Condition 5(D) will not apply to the Warrants. Any Physical Delivery for U.S. Warrants must be made in compliance with the Securities Act and the Exchange Act.]
11. Relevant Asset(s): The relevant asset to which the Warrants relate [is/are] [●]. (*N.B. Only applicable in relation to Physical Delivery Warrants*)
12. Entitlement:
  - (i) [The Entitlement (as defined in Condition 4) in relation to each Warrant is [●].]
  - (ii) The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*].
  - (iii) [The Entitlement will be delivered [*insert details of the method of delivery of the Entitlement*].]  
  
(*N.B. Only applicable in relation to Physical Delivery Warrants*)
13. Exchange Rate: The applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Settlement Price (as defined in Condition 4) or the Cash Settlement Amount (as defined in Condition 4) is [*insert rate of exchange and details of how and when such rate is to be ascertained*].
14. Settlement Currency: The settlement currency for the payment of [the Cash Settlement Amount] (*in the case of Cash Settled Warrants*)/[the Disruption Cash Settlement Price] (*in the case of Physical Delivery Warrants*) is [●].

<sup>9</sup> If French law-governed.

<sup>10</sup> If U.S. Warrants.

<sup>11</sup> Not applicable for U.S. Warrants, unless Physical Delivery can be in compliance with U.S. securities laws.

15. Agent: [BNP Paribas Securities Services, Luxembourg Branch]/[BNP Paribas Arbitrage SNC]/[The Bank of New York]/[specify other].
16. Calculation Agent: [BNP Paribas]/[BNP Paribas Arbitrage SNC]/[specify other][ADDRESS].
17. Governing Law: [English/French] law
18. Special conditions or other modifications to the Terms and Conditions: [ ]

## PRODUCT SPECIFIC PROVISIONS

19. Index Warrants: [The provisions of Annex 1 (*Additional Terms and Conditions for Index Warrants*) shall apply]
- (i) Index/Index Sponsor: [specify name of index/indices]  
[specify name of index sponsor(s)]  
[The [ ] Index is a Composite Index]<sup>12</sup>
- (ii) Exchange(s): The Exchange(s) [is/are] [●].
- (iii) Related Exchange(s): [The relevant Related Exchange(s) [is/are] [●] /[All Exchanges]
- (iv) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis]
- (v) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis]  
(must match election made for Exchange Business Day)
- (vi) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 1/[specify other]. (N.B. Only applicable in relation to Warrants relating to a Basket)]
- (vii) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from Annex 1].
- (viii) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 4), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [insert calculation method].
- (ix) Relevant Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 4.] [The relevant time is [●].] (N.B. If no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 4).
- (x) Knock-in Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

<sup>12</sup> Specify each Composite Index (if any).

- (a) Knock-in Level: [specify]
- (b) Knock-in Period Beginning Date: [specify]
- (c) Knock-in Determination Period: [specify]
- (d) Knock-in Determination Day(s): [specify/Each Scheduled Trading Day in the Knock-In Determination Period]
- (e) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
- (f) Knock-in Period Ending Date: [specify]
- (g) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
- (h) Knock-in Valuation Time: [specify / See definition in Annex 1] [Relevant Time]
- (xi) Knock-out Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Knock-out Level: [specify]
- (b) Knock-out Period Beginning Date: [specify]
- (c) Knock-out Determination Period: [specify]
- (d) Knock-out Determination Day(s): [specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (e) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
- (f) Knock-out Period: [specify]

Ending Date:

(g) Knock-out Period [Not Applicable / Applicable]  
Ending Date  
Scheduled Trading  
Day Convention:

(h) Knock-out Valuation Time [specify / See definition in Annex 1] [Relevant Time]

(xii) Cancellation on occurrence of Index Adjustment Event: [As per Conditions/Not Applicable]

20. Share Warrants: [The provisions of Annex 2 (*Additional Terms and Conditions for Share Warrants*) shall apply]

(i) Share(s) / Share Company / Basket Company: [Insert type of Share(s) and Share Company / Basket Companies]

(ii) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis]

(iii) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis]  
(must match election made for Exchange Business Day)

(iv) Exchange(s): The Exchange[s] [is/are] [●].

(v) Related Exchange(s): [The Related Exchange(s) [is/are] [●] / [All Exchanges]

(vi) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex 2/[specify other]. (N.B. Only applicable in relation to Warrants relating to a Basket)]

(vii) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from Annex 2].

(viii) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 4), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [insert calculation method].

(ix) Relevant Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 4.] [The relevant time is [●].] (N.B. If no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 4).

(x) Knock-in Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Knock-in Price: [specify]

(b) Knock-in Period: [specify]

- Beginning Date:
- (c) Knock-in Period [Not Applicable / Applicable]  
Beginning Date  
Scheduled Trading  
Day Convention:
- (d) Knock-in [specify]  
Determination  
Period:
- (e) Knock-in [specify/Each Scheduled Trading Day in the Knock-in Determination  
Determination Period]  
Day(s):
- (f) Knock-in Period [specify]  
Ending Date:
- (g) Knock-in Period [Not Applicable / Applicable]  
Ending Date  
Scheduled Trading  
Day Convention:
- (h) Knock-in Valuation [specify / See definition in Annex 2] [Relevant Time]  
Time:
- (xi) Knock-out Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Knock-out Price: [specify]
- (b) Knock-out [specify]  
Determination  
Period:
- (c) Knock-out [specify/Each Scheduled Trading Day in the Knock-out Determination  
Determination Period]  
Day(s):
- (d) Knock-out Period [specify]  
Beginning Date:
- (e) Knock-out Period [Not Applicable / Applicable]  
Beginning Date  
Scheduled Trading  
Day Convention:
- (f) Knock-out Period [specify]  
Ending Date:
- (g) Knock-out Period [Not Applicable / Applicable]  
Ending Date

Scheduled Trading  
Day Convention:

- (h) Knock-out Valuation Time: [specify / See definition in Annex 1] [Relevant Time]
- (xii) Cancellation on Occurrence of Extraordinary Event: [As per Conditions/Not Applicable]
21. GDR Warrants: [The provisions of Annex 3 (*Additional Terms and Conditions for GDR Warrants*) shall apply]<sup>13</sup>
22. Debt Warrants: [The provisions of Annex 4 (*Additional Terms and Conditions for Debt Warrants*) shall apply]
- (i) Nominal Amount: The nominal amount which is to be used to determine the Cash Settlement Amount is [●] and the relevant screen page (Relevant Screen Page) is [●].
- (ii) Redemption of Underlying Debt Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Warrants, [insert appropriate fallback provisions].
- (iii) Exchange Business Day: “Exchange Business Day” means [●].
- (iv) Relevant Time: [The relevant time is [●]].
23. Commodity Warrants: [The provisions of Annex 5 (*Additional Terms and Conditions for Commodity Warrants*) shall apply]
- (i) Commodity/Commodities: [specify Commodity/Commodities]
- (ii) Pricing Date(s): [specify]
- (iii) Commodity Reference Price: [specify]
- (iv) Additional Disruption Fallback(s): [specify] / [Not Applicable]
- (v) Relevant Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 4.] [The relevant time is [●].]
- (vi) Knock-in-Event: [Not Applicable / specify / [“greater than”/“greater than or equal to”/“less than”/“less than or equal to”]]  
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (a) Knock-in Level: [specify]
- (b) Knock-in Period: [specify]

<sup>13</sup>

For GDR Warrants complete sections for Share Warrants (paragraph 20) (completed and amended as appropriate) and GDR Warrants (paragraph 21).



- Beginning Date:
- (c) Knock-in Determination Period: [specify]
  - (d) Knock-in Determination Day(s): [specify]
  - (e) Knock-in Period Beginning Date  
Commodity Business Day Convention: [Not Applicable / Applicable]
  - (f) Knock-in Period Ending Date: [specify]
  - (g) Knock-in Period Ending Date  
Commodity Business Day Convention: [Not Applicable / Applicable]
  - (h) Knock-in Valuation Time: [specify / See definition in Annex 5] [Relevant Time]
- (vii) Knock-out Event: [Not Applicable / specify / ["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Knock-out Level: [specify]
  - (b) Knock-out Period Beginning Date: [specify]
  - (c) Knock-out Determination Period: [specify]
  - (d) Knock-out Determination Day(s): [specify]
  - (e) Knock-out Period Beginning Date  
Commodity Business Day Convention: [Not Applicable / Applicable]
  - (f) Knock-out Period Ending Date: [specify]
  - (g) Knock-out Period Ending Date: [Not Applicable / Applicable]

Commodity Business  
Day Convention:

(h) Knock-out Valuation Time [specify / See definition in Annex 5] [Relevant Time]

(viii) Cancellation on Occurrence of Market Distruption Event: [As per Conditions / Not Applicable]

24. Inflation Index Warrants: [The provisions of Annex 6 (*Additional Terms and Conditions for Inflation Index Warrants*) shall apply]

(i) Inflation Index / Sponsor: [specify name of inflation index / indices]

[specify name of inflation index sponsor(s)]

(ii) Related Bond: [Applicable/Not Applicable]

(iii) Issuer of Related Bond: [Applicable/Not Applicable] [If applicable, specify]

(iv) Fallback Bond: [Applicable/Not Applicable]

(v) Related Bond Redemption Event: [Applicable/Not Applicable] [If applicable, specify]

(vi) Substitute Inflation Index Level: [As determined in accordance with Annex 6 [●]]

(vii) Cut-off Date: In respect of a [Valuation Date], the day that is [●] Business Days prior to such [Valuation Date]

(viii) [Valuation Date]: [specify]

25. Currency Warrants: [The provisions of Annex 7 (*Additional Terms and Conditions for Currency Warrants*) shall apply]

(i) Relevant Screen Page: [specify]

(ii) The relevant base currency (the “**Base Currency**”) is: [specify]

(iii) The relevant subject [currency/currencies] (each a “**Subject Currency**”) [is/are]: [specify]

(iv) Relevant Time: [The relevant time is [●]].

(v) Knock-in-Event: [Not Applicable / specify / [“greater than”/“greater than or equal to”/“less than”/“less than or equal to”]]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Knock-in Level: [specify]

- (b) Knock-in Period Beginning Date: [specify]
  - (c) Knock-in Determination Period: [specify]
  - (d) Knock-in Determination Day(s): [specify]
  - (e) Knock-in Period Ending Date: [specify]
  - (f) Knock-in Valuation Time: [specify / See definition in Annex 7] [Relevant Time]
  - (vi) Knock-out Event: [Not applicable / specify / ["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
    - (a) Knock-out Level: [specify]
    - (b) Knock-out Period Beginning Date: [specify]
    - (c) Knock-out Determination Period: [specify]
    - (d) Knock-out Determination Day(s): [specify]
    - (e) Knock-out Period Ending Date: [specify]
    - (f) Knock-out Valuation Time: [specify / See definition in Annex 7] [Relevant Time]
- (N.B. Only Applicable in relation to Currency Warrants)*
- 26. Fund Warrants:** [The provisions of Annex 8 (*Additional Terms and Conditions for Fund Warrants*) shall apply]
- (i) Fund: [specify]
  - (ii) Fund Share(s): [specify]
  - (iii) Fund Documents: [specify]
  - (iv) Additional Extraordinary Fund Event(s): [specify]

- (v) NAV Barrier: [specify]
  - (vi) Number of NAV Publication Days: [specify]
  - (vii) Settlement Price: [specify]
  - (viii) Consequences of Extraordinary Fund Event: [specify]
  - (ix) Relevant Time: [The relevant time is [●].]
  - (x) Additional Provisions: [specify]
27. Market Access Warrants: [The provisions of Annex [1/2/4]<sup>14</sup>(*Additional Terms and Conditions for [Index/Share/Debt Security] Warrants*) and Annex 9 (*Additional Terms and Conditions for Market Access Warrants*) shall apply]
- (i) [Share Amount / Debt Securities Amount]: [specify]
  - (ii) Market Access Warrant Condition 1 of Annex 9 (*Interim Payment Amount/Interim Coupon Amount*): [Applicable / Not Applicable]  
The Coupon Payment Dates are [●]
  - (iii) Market Access Warrant Condition 2 (*Potential Adjustment Event*): [Applicable / Not Applicable]
  - (iv) Market Access Warrant Condition 3 (*Stock Dividends or Stock Distributions and Rights Issues*): [Applicable / Not Applicable]
  - (v) Market Access Warrant Condition 4 (*Issuer's option following an Additional Disruption Event*): [Applicable / Not Applicable]
  - (vi) Market Access Warrant Condition 5 (*Regulatory Change Event*): [Applicable / Not Applicable]
  - (vii) Market Access Warrant Condition 6 (*Early Termination Event*): [Applicable / Not Applicable]

<sup>14</sup>

For Market Access Warrants include relevant Annex and complete relevant section for Index / Share / Debt Security Warrants and include Annex 9 and complete paragraph 28 as appropriate.

(viii) Market Access Warrant Condition 7 (*Additional Condition*): [Applicable / Not Applicable]

(ix) Market Access Warrant Condition 8 (*Early Exercise Event*): [Applicable / Not Applicable]

an “**Early Exercise Event**” shall occur if the Calculation Agent determines that on a day during the period from and including the Issue Date to and excluding the Expiration Date, the [official closing price of the [Share / Debt Securities] / [closing level of the Index] is [equal to or] [above / below] the [Threshold Price / Threshold Level] [*specify as applicable*]; and

The [Threshold Price / Threshold Level] is [●]]

(x) Market Access Warrant Condition 9 (*Warrants linked to underlying Shares that are yet to be listed*): [Applicable / Not Applicable]

The Expected Listing Date is [●])

28. Credit Linked Warrants [*specify terms for Credit Linked Warrants*]

29. Additional Disruption Events: (a) The following Additional Disruption Events apply to the Warrants:

(*Specify each of the following which applies. N.B. Additional Disruption Events are applicable to certain Index Warrants or Share Warrants. Careful consideration should be given to whether Additional Disruption Events would apply for Debt Warrants, Currency Warrants, Commodity Warrants, Index Warrants relating to Commodity Indices and Fund Warrants, and if so the relevant definitions will require amendment. Careful consideration should be given to any Additional Disruption Events in the case of U.S. Warrants.*)

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

(*N.B. Only applicable in the case of Share Warrants*)]

[Loss of Stock Borrow]

[Analogous Event]

[Currency Event]

[Force Majeure Event]

[Jurisdiction Event]

[Failure to Deliver due to Illiquidity]

*(N.B. only applicable in the case of Physical Delivery Warrants that are not U.S. Warrants - Failure to Deliver due to Illiquidity is applicable to certain Share Warrants. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Warrants)*

(b) [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share/Security] is [●].

*(N.B. Only applicable if Loss of Stock Borrow is applicable)]*

[The Initial Stock Loan rate in respect of [specify in relation to each relevant Share/Security] is [●].

*(N.B. only applicable if Increased Cost of Stock Borrow is applicable)]*

(c) [Condition 16(B) (Additional Definitions) applicable.]

(d) Cancellation on Occurrence of Additional Disruption Event: [As per Conditions / Not Applicable]

## **PROVISIONS RELATING TO EXERCISE, VALUATION AND SETTLEMENT**

- |     |                          |                                                                                                                                                                                                                                                                                                                                                                                             |
|-----|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 30. | Units:                   | Warrants must be exercised in Units. Each Unit consists of the number of Warrants set out in “Specific Provisions for each Series” above. <i>(N.B. This is in addition to any requirements relating to “Minimum Exercise Number” or “Maximum Exercise Number” as set out under “Provisions relating to Warrants” below).</i>                                                                |
| 31. | Minimum Exercise Number: | The minimum number of Warrants that may exercised (including automatic exercise) on any day by any Holder is [●] [and Warrants may only be exercised (including automatic exercise) in integral multiples of [●] Warrants in excess thereof].                                                                                                                                               |
| 32. | Maximum Exercise Number: | The maximum number of Warrants that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is [●]. <i>(N.B. not applicable for European Style Warrants)</i>                                                                                                                                                                                      |
| 33. | Exercise Price(s):       | The exercise price(s) per [Warrant/Unit] (which may be subject to adjustment in accordance with Annex 2 in the case of Share Warrants and Annex 1 in the case of Index Warrants) is set out in “Specific Provisions for each Series” above. <i>(N.B. This should take into account any relevant Weighting and, in the case of an Index Warrant, must be expressed as a monetary value).</i> |
| 34. | Exercise Date:           | The exercise date of the Warrants is set out in “Specific Provisions for each Series” above, provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately succeeding Exercise Business Day. <i>(N.B. Only applicable in relation to European Style Warrants)</i>                                                                                 |
| 35. | Exercise Period:         | The exercise period in respect of the Warrants is set out in “Specific Provisions for each Series” above, [inclusive of the dates specified] [, or if                                                                                                                                                                                                                                       |

either day specified is not an Exercise Business Day, the immediately succeeding Exercise Business Day]. *(N.B. Only applicable in relation to 7American Style Warrants)*

36. Valuation Date: *[N.B. specify for Commodity Warrants or if different from the definition in Condition 4.]*
37. Averaging: Averaging [applies/does not apply] to the Warrants. [The Averaging Dates are [●].] *(Not applicable to Inflation Index Warrants)*
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Condition 4) will apply.] [N.B. Not Applicable to Commodity Warrants]*
- [In the event of Modified Postponement applying, the Averaging Date will be determined [specify relevant provisions] (N.B. Only applicable in relation to Debt Warrants, Currency Warrants or Fund Warrants).]*
38. Observation Dates: *[The Observation Dates are [●].] (N.B. Not applicable to Inflation Index Warrants)*
- [In the event that an Observation Date is a Disrupted Day [Postponement / Modified Postponement] (as defined in Condition 4) will apply.] [N.B. Not Applicable to Commodity Warrants]*
- [In the event of Modified Postponement applying, the Observation Date will be determined] [specify relevant provisions] (N.B. Only applicable in relation to Debt Warrants, Currency Warrants or Fund Warrants).]*
39. Observation Period: *[The Observation Period is [●].]*
40. Specified Maximum Days of Disruption: [●] [Scheduled Trading Days] [Commodity Business Days]
41. Cash Settlement Amount: A holder of Warrants, upon due exercise, will receive from the Issuer on the Settlement Date, in respect of each Warrant, a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:
- [insert formula]*
- [insert definitions]*
- [N.B. specify if provisions of Condition 5(B) not appropriate]*
42. Settlement Date: *[The settlement date for the Warrants is [●]. [N.B. Applicable for Physical Delivery Warrants. Only applicable for Cash Settled Warrants if Settlement Date is different from the definition in Condition 4]]*
- [“Settlement Business Day” for the purposes of Condition 5(C)(2) means [●]. (N.B. Only applicable in the case of Physical Delivery Warrants)]]*

## DISTRIBUTION AND US SALES ELIGIBILITY

43. Selling Restrictions: *[Insert any additional selling restrictions]*
- (i) Eligibility for sale of Warrants in the United States to AIs *(N.B. Only Warrants issued by BNPP can be so eligible)*:
- The Warrants are [not] eligible for sale in the United States to AIs.
- [Where Warrants are eligible for sale in the United States to AIs, include the following:]*
- (a) the Warrants will be in the form of Private Placement Definitive Warrants;
  - (b) the Warrants may [not] be issued concurrently outside the United States to non-U.S. Persons [(such Warrants to be represented by a Regulation S Global Warrant)];
  - (c) the Warrants may [not] be transferred to QIBs *(N.B. Warrants may only be transferred to QIBs if eligible for sale to QIBs as provided in paragraph (ii) below)*;
  - (d) the Warrants may [not] be transferred to non-U.S. Persons;
  - (e) the Warrants may [not] be transferred to AIs;
  - (f) *[insert applicable U.S. selling restrictions and specify details of any transfer restrictions and any necessary certifications, if different from those set out in the Conditions (N.B. Such restrictions may be necessary, inter alia, in relation to Commodity Warrants)]*; and
  - (g) *[specify any amendments to the form of Exercise Notice (the form of which is set out in a schedule to the Agency Agreement).]*
- (ii) Eligibility for sale of Warrants in the United States to QIBs within the meaning of Rule 144a *(N.B. Only U.S. Warrants issued by BNPP can be so eligible)*:
- The Warrants are [not] eligible for sale in the United States under Rule 144A to QIBs.
- [Where Warrants are eligible for sale in the United States under Rule 144A to QIBs, include the following:]*
- (a) The Rule 144A Global Warrant will be deposited with [a custodian for DTC]/[a common depository on behalf of Clearstream, Luxembourg/Euroclear/Iberclear/other clearing system];
  - (b) The Warrants may [not] be issued concurrently outside the United States to non-U.S. Persons [(such Securities to be represented by a Regulation S Global Warrant)];



- (c) The Warrants may [not] be transferred to QIBs;
- (d) The Warrants may [not] be transferred to non-U.S. persons;
- (e) The Warrants may [not] be transferred to AIs (*N.B. Warrants may only be transferred to AIs if eligible for sale to AIs as provided for in paragraph (a) above*);
- (f) [insert applicable U.S. selling restrictions and specify details of any transfer restrictions and any necessary certifications, if different from those set out in the Conditions (*N.B. Such restrictions may be necessary, inter alia, in relation to Commodity Warrants*)]; and
- (g) [*specify any amendments to the form of Exercise Notice (the form of which is set out in a schedule to the Agency Agreement)*].]

- 44. Additional U.S. federal income tax consequences: [insert details]
- 45. Registered broker/dealer: [BNP Paribas Securities Corp./[specify other]<sup>15</sup> /[Not Applicable]]
- 46. Syndication: The Warrants will be distributed on a [non-]syndicated basis.  
(*If syndicated, specify names of the Managers*)
- 47. Additional or Alternative Clearing System: [*Insert details of any clearing system other than DTC, Clearstream, Luxembourg, Euroclear, Euroclear France and Iberclear including appropriate clearing code/number*]

## [Listing Application]

These Final Terms comprise the final terms required to list [and have admitted to trading] the issue of Warrants described.]

## Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. The information included in [the Annex] (the [●] Information) consists of extracts from or summaries of information that is publicly available in respect of [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.

Signed on behalf of [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas]

As Issuer:

By: ..... Duly authorised

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<sup>15</sup> If U.S. Warrants.

## PART B – OTHER INFORMATION

### 1. Listing and Admission to trading:

[The Warrants are unlisted]/[Application has been made to list the Warrants on the Luxembourg Stock Exchange and to admit the Warrants for trading described herein on the “*Bourse de Luxembourg*” (the “**Regulated Market**”) of the Luxembourg Stock Exchange/Luxembourg Stock Exchange’s EuroMTF Market]/[specify other exchange].

### 2. [Ratings]

Ratings:

The Warrants 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, for example:

“As defined by Moody’s an [Aa1] rating means that the obligations of the Issuer and the Guarantor under the Programme are of high quality and are subject to very low credit risk and, as defined by Standard & Poors, an [AA+] rating means that the relevant Issuer and Guarantor’s capacity to meet its financial commitment under the Warrants is very strong.”]

(The above disclosure should reflect the rating allocated to Warrants of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]

### 3. [Risk Factors]

*[Include any product specific risk factors which are not covered under “Risk Factors” in the Base Prospectus or in relation to U.S. Warrants. If any such additional risk factors need to be included consideration should be given as to whether they constitute “significant new factors” and consequently trigger the need for either (i) a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors’ right to withdraw their acceptances within a 48 hour time period or (ii) a Prospectus.]]*

### 4. [Notification]

The *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purpose of the Prospectus Directive, [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the *[include names of competent authorities of host Member States]* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

5. **[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 discussed in [“*Risk Factors*” in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Warrants has an interest material to the offer.”]

6. **[Reasons for the Offer, Estimated Net Proceeds and Total Expenses<sup>16</sup>**

[●]

(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.)

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.)

Estimated total expenses:

[●] [*Include breakdown of expenses*]]

7. **Performance of Underlying/Formula/Other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying**

*[Need to include details of where past and future performance and volatility of the index/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]<sup>17</sup>*

8 **[Terms and Conditions of the Public Offer]**

Conditions to which the offer is subject: [●]

Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [●]

The time period, including any possible amendments, during which the offer will be open and description of the application process: [●]

<sup>16</sup> Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.  
<sup>17</sup> Additional consideration should be given to disclosure in the case of U.S. Warrants.

A description of the possibility to [●]  
reduce subscriptions and the manner  
for refunding excess amount paid by  
applicants:

Details of the minimum and/or [●]  
maximum amount of application:<sup>18</sup>

Method and time limits for paying up [●]  
the Warrants and for delivery of the  
Warrants:

Manner and date in which results of [●]  
the offer are to be made public:

Categories of potential investors to [●]  
which the Warrants are offered:

*[For example:*

*“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.*

*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 €43,000,000 and (3) an annual net turnover of  
more than €50,000,000, as shown in its last annual or consolidated  
accounts.”]*

Process for notification to applicants [●]  
of the amount allotted and indication  
whether dealing may begin before  
notification is made:

## **9 [Placing and Underwriting]<sup>19</sup>**

Name and address of the co- [●]  
ordinator(s) of the global offer and of  
single parts of the offer:<sup>20</sup>

Name and address of any paying [●]  
agents and depository agents in each  
country (in addition to the Principal  
Paying Agent):

Entities agreeing to underwrite the [●]  
issue on a firm commitment basis, and  
entities agreeing to place the issue

<sup>18</sup> Whether in number of warrants or aggregate amount to invest.

<sup>19</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

<sup>20</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

without a firm commitment or under  
“best efforts” arrangements.<sup>21</sup>

When the underwriting agreement has ☒  
been or will be reached:

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<sup>21</sup>

See “Risk Factors — Potential Conflicts of Interest” in this Base Prospectus for further information.

## **PART C - SPECIFIC PRODUCT CONTRACTUAL TERMS**

*(This Part C to be used for all additional definitions/provisions for Specific Products)*

1. Cash Settlement/Physical Settlement

[●]

2. [Other or Alternative Definitions/Provisions]

[●]

## TERMS AND CONDITIONS OF THE WARRANTS

*The following is the text of the Terms and Conditions of the Warrants which will include the additional terms and conditions contained in Annex 1 in the case of Index Warrants, the additional terms and conditions contained in Annex 2 in the case of Share Warrants, the additional terms and conditions contained in Annex 3 in the case of GDR Warrants, the additional terms and conditions contained in Annex 4 in the case of Debt Warrants, the additional terms and conditions contained in Annex 5 in the case of Commodity Warrants, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Warrants, the additional terms and conditions contained in Annex 7 in the case of Currency Warrants, the additional terms and conditions contained in Annex 8 in the case of Fund Warrants, the additional terms and conditions contained in Annex 9 in the case of Market Access Warrants or any other Annex (each, an “Annex” and, together the “Annexes”) which may be added from time to time, in the case of any other warrant linked to any other underlying reference (the “Terms and Conditions” or the “Conditions”) which, in the case of English Law Warrants (as defined in Condition 4 below), will be incorporated by reference into each Clearing System Global Warrant, Private Placement Definitive Warrant or Registered Global Warrant (each as defined below). The applicable Final Terms in relation to any issue of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Warrants. In the case of English Law Warrants, the applicable Final Terms (or the relevant provisions thereof) will be attached to each Clearing System Global Warrant, Private Placement Definitive Warrant or Registered Global Warrant, as the case may be. The provisions in respect of Registered Warrants and U.S. Warrants (each as defined below) relate to English Law Warrants only.*

The series of Warrants described in the applicable Final Terms (in so far as it relates to such series of Warrants) (such Warrants being hereinafter referred to as the “**Warrants**”) are issued by whichever of BNP Paribas Arbitrage Issuance B.V. (“**BNPP B.V.**”) or BNP Paribas (“**BNPP**”) is specified as the Issuer in the applicable Final Terms (the “**Issuer**”) and references to the Issuer shall be construed accordingly. Only BNPP may issue U.S. Warrants. The Warrants are issued pursuant to an Agency Agreement dated 30 May 2007 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) between BNPP B.V. as issuer, BNPP as issuer and (where the Issuer is BNPP B.V.) as guarantor (in such capacity, the “**Guarantor**”), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as Agent in respect of the Warrants, the “**Principal Warrant Agent**”), BNP Paribas Arbitrage SNC as agent (if specified in the applicable Final Terms as Agent in respect of the Warrants, the “**Principal Warrant Agent**”), The Bank of New York as New York warrant agent (the “**New York Warrant Agent**”), The Bank of New York as definitive warrant agent (the “**Definitive Warrant Agent**”) (each, a “**Warrant Agent**” and collectively, the “**Warrant Agents**”) and BNP PARIBAS Securities (Japan) Limited as registrar in respect of Registered Warrants (the “**Registrar**”). The expression “Warrant Agent” shall include any additional or successor warrant agent in respect of the Warrants. BNP Paribas or BNP Paribas Arbitrage SNC (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the “**Calculation Agent**”) in respect of the Warrants as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Warrants, include such other specified calculation agent. The Agency Agreement will be governed by English Law in the case of English Law Warrants (the “**English Law Agency Agreement**”) and by French Law in the case of French Law Warrants (as defined in Condition 4 below) (the “**French Law Agency Agreement**”).

English Law Warrants (as defined in Condition 4 below) are constituted by a clearing system global warrant (the “**Clearing System Global Warrant**”) or a registered global warrant (the “**Registered Global Warrant**”) or a warrant in definitive registered form (a “**Private Placement Definitive Warrant**”) as specified in the applicable Final Terms. Except as provided herein, no Warrants in definitive form will be issued.

In the event that the applicable Final Terms specify that Warrants are eligible for sale in the United States (“**US Warrants**”) (such eligibility to be pursuant to an exemption from the registration requirements of the Securities Act of

1933, as amended (the “**Securities Act**”)), (A) the Warrants sold in the United States to qualified institutional buyers (“**QIBs**”) within the meaning of Rule 144A (“**Rule 144A**”) under the Securities Act (“**Rule 144A Warrants**”) will be represented by one or more Rule 144A global warrants (each, a “**Rule 144A Global Warrant**”), (B) the Warrants sold in the United States to certain accredited investors (“**AIs**”) (as defined in Rule 501(a) under the Securities Act) will be constituted by private placement definitive warrants (the “**Private Placement Definitive Warrants**”), and (C) in either such case, the Warrants sold outside the United States to non-U.S. persons under the exemption contained in Regulation S (“**Regulation S**”) under the Securities Act will be represented by one or more Regulation S global warrants (each, a “**Regulation S Global Warrant**”). References herein to a Clearing System Global Warrant include, as the context so requires, a Rule 144A Global Warrant and a Regulation S Global Warrant. In the event that the Final Terms does not specify that Warrants are eligible for sale in the United States or to U.S. persons, the Warrants offered and sold outside the United States to non-U.S. persons under the exemption contained in Regulation S will be represented by a Clearing System Global Warrant or a Registered Global Warrant, as the case may be.

In the event that the Warrants are constituted by a Clearing System Global Warrant (such Warrants being hereinafter referred to as “**Clearing System Warrants**”), the Clearing System Global Warrant will be deposited with a depository (the “**Common Depository**”) common to Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or any other relevant Clearing System (as defined below). Warrants represented by a Rule 144A Global Warrant will be either (i) deposited with a custodian (a “**Custodian**”) for, and registered in the name of a nominee of, The Depository Trust Company (“**DTC**”), or (ii) issued and deposited with the Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the event that the Warrants are constituted by a Registered Global Warrant (such Warrants being hereinafter referred to as “**Registered Warrants**”), the Registered Global Warrant will be held by the Registrar on behalf of the holders.

Interests in a Rule 144A Global Warrant and a Regulation S Global Warrant may be exchanged for interests in the other Clearing System Global Warrant and for Private Placement Definitive Warrants and Private Placement Definitive Warrants may be exchanged for an interest in a Rule 144A Global Warrant or Regulation S Global Warrant only as described herein. Interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant may not be exchanged for interests in a Registered Global Warrant and interests in a Registered Global Warrant may not be exchanged for interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant.

Each of the Clearing System Global Warrant and the Registered Global Warrant is referred to in these Terms and Conditions as a “**Global Warrant**”. The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Warrant.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depository for that Global Warrant or if at any time DTC ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depository is not appointed by BNPP within 90 days of such notice, BNPP will deliver Warrants in definitive registered form (bearing such legends as may be required by BNPP) in exchange for that Rule 144A Global Warrant. Except in these circumstances, owners of beneficial interests in a Rule 144A Global Warrant held by a Custodian on behalf of DTC will not be entitled to have any portion of such Warrants registered in their name and will not receive or be entitled to receive physical delivery of registered Warrants in definitive form in exchange for their interests in that Rule 144A Global Warrant. Transfer, exercise, settlement and other mechanics related to any Warrants issued in definitive form in exchange for Warrants represented by such Rule 144A Global Warrant shall be as agreed between BNPP and the New York Warrant Agent.

French Law Warrants (as defined in Condition 4 below) are issued in dematerialised form (au porteur) (such Warrants hereinafter also referred to as “**Clearing System Warrants**”). No physical document of title (including certificates représentatifs pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of French Law Warrants.



The applicable Final Terms for the Warrants supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Warrants.

References herein to the "applicable Final Terms" are to the Final Terms or two or more sets of Final Terms (in the case of any further warrants issued pursuant to Condition 13 and forming a single series with the Warrants) (which, for the avoidance of doubt, may be issued in respect of more than one series of Warrants) insofar as they relate to the Warrants.

Subject as provided in Condition 3 and in the Guarantees (as defined below), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP (in such capacity, the "**Guarantor**") pursuant to the Guarantee (as defined in Condition 4). The original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement, will be available for inspection at the specified office of the relevant Warrant Agent and the Registrar (in the case of Registered Warrants), copies of the Guarantees will be available for inspection at the specified office in Luxembourg of the relevant Warrant Agent and the Registrar and copies of the applicable Final Terms may be obtained from the specified office of the relevant Warrant Agent and the Registrar (in the case of Registered Warrants), save that if the Warrants are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Warrant Agent as to identity.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Holders (as defined in Condition 1(B)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the Warrants) and the applicable Final Terms, which are binding on them.

## **1. Type, Title and Transfer**

### **(A) Type**

The Warrants relate to a specified Index or basket of Indices ("**Index Warrants**"), a specified Share or basket of Shares ("**Share Warrants**"), a specified depositary receipt (a "**GDR**") referencing a share (an "**Underlying Share**") or basket of such GDRs ("**GDR Warrants**"), a specified debt instrument ("**Debt Security**") or basket of Debt Securities ("**Debt Warrants**"), a specified currency ("**Currency**") or basket of Currencies ("**Currency Warrants**"), a specified commodity ("**Commodity**") or basket of Commodities ("**Commodity Warrants**"), a specified inflation Index or basket of inflation Indices ("**Inflation Index Warrants**"), a specified fund share or unit or basket of fund shares or Units ("**Fund Warrants**"), the credit of a specified reference entity or entities ("**Credit Linked Warrants**") or any other or further type of warrants as is specified in the applicable Final Terms including Warrants which relate to any combination of such indices, shares, debt securities, currencies, fund shares or units, commodities and other asset classes or types ("**Hybrid Warrants**"). Warrants related to a specified currency or basket of currencies, a specified commodity or basket of commodities, a specified interest rate or basket of interest rates or a specified inflation index or basket of inflation indices, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, or Hybrid Warrants related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised, settled, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are U.S. persons as defined in Regulation S under the Securities Act or that are not non-United States Persons as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended.

The applicable Final Terms will indicate whether the Warrants are American style Warrants (“**American Style Warrants**”) or European style Warrants (“**European Style Warrants**”), Registered Warrants or such other type as may be specified in the applicable Final Terms, in the case of Cash Settled Warrants whether automatic exercise (“**Automatic Exercise**”) applies to the Warrants, whether settlement shall be by way of cash payment (“**Cash Settled Warrants**”) or physical delivery (“**Physical Delivery Warrants**”), whether the Warrants are call Warrants (“**Call Warrants**”) or put Warrants (“**Put Warrants**”), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units (“**Units**”) and whether Averaging (“**Averaging**”) will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect. If Averaging is specified as applying in the applicable Final Terms the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 4 below) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to (a) Physical Delivery Warrants, which include an option (as set out in the applicable Final Terms) at the Issuer’s election to request cash settlement of such Warrant pursuant to Condition 5(D)(i) and where settlement is to be by way of cash payment, and (b) Physical Delivery Warrants where settlement is to be automatically varied to be by way of a cash payment pursuant to Condition 5(D)(i). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants which include an option (as set out in the applicable Final Terms) at the Issuer’s election to request physical delivery of the relevant underlying asset in settlement of such Warrant pursuant to Condition 5(D)(i) and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, BNPP does not have the option to vary settlement in respect of the U.S. Warrants pursuant to Condition 5(D)(i).

Warrants may, if specified in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Warrants where the Holder has elected for cash payment will be Cash Settled Warrants and those Warrants where the Holder has elected for physical delivery will be Physical Delivery Warrants. The rights of a Holder as described in this paragraph may be subject to the Issuer’s right to vary settlement as indicated in the applicable Final Terms and will be subject to the Issuer’s right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with Condition 5(E).

(B) Title to Warrants

In the case of Warrants represented by a Clearing System Global Warrant held by a Common Depository on behalf of a relevant Clearing System and French Law Warrants, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Warrants) or whose name appears in the account of the relevant Account Holder (in the case of French Law Warrants) as the holder of a particular amount of such Warrants (in which regard any certificate or other document issued by the relevant Clearing System or, as the case may be, Account Holder as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, if any, and the relevant Warrant Agent as the Holder of such amount of Warrants for all purposes (and the expressions “**Holder**” and “**Holder of Warrants**” and related expressions shall be construed accordingly).

In addition, title to French Law Warrants will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be

issued in respect of such Warrants. The Warrants will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

For the purpose of these Conditions, “**Account Holder**” means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes the depositary bank for Clearstream Luxembourg and Euroclear and any other relevant Clearing System.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the Rule 144A Global Warrant will be registered in the name of Cede & Co., as nominee of DTC, but this does not confer any rights or benefits on Cede & Co. or any other nominee of DTC in whose name a Rule 144A Global Warrant may be registered. Transfers of such Rule 144A Global Warrant by such nominee of DTC shall be limited to transfers of such Rule 144A Global Warrant, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor’s nominee. Rights conferred by the Rule 144A Global Warrant are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 1(D) below, each person who is for the time being shown in the records of DTC as the Holder of a particular number of Warrants shall (except as otherwise required by law) be treated by the Issuer and the New York Warrant Agent as the Holder of such amount of Warrants for all purposes (and the expressions “**Holder of Warrants**” and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Warrants, BNPP shall cause to be kept at the principal office of the Definitive Warrant Agent, a register (the “**Private Placement Register**”) on which shall be entered the names and addresses of all holders of Private Placement Definitive Warrants, the amount and type of Private Placement Definitive Warrants held by them and details of all transfers of Private Placement Definitive Warrants. Subject as set forth in Condition 1(D) below, the persons shown in the Private Placement Register (each a “**Holder**”) shall (except as otherwise required by law) be treated as the absolute owners of the relevant Private Placement Definitive Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

(C) Title to Registered Warrants

In the case of Registered Warrants, the Issuer shall cause to be kept at the principal office of the Registrar, a register (the “**Register**”) on which shall be entered the names and addresses of all holders of the Warrants, the amount and type of the Warrants held by each Holder and details of all transfers of the Warrants. Each person who is for the time being shown in the Register as the holder of a particular amount of Warrants (each a “**Holder**”) shall (except as otherwise required by law) be treated as the absolute owner of such amount of Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

(D) Transfers of Interests in Clearing System Warrants and Private Placement Definitive Warrants

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 6.

Subject as set forth in this Condition, all transactions (including permitted transfers of Warrants) in the open market or otherwise must be effected, in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System through an account at Euroclear or Clearstream, as the case may be, and/or any other relevant Clearing System or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, through a direct or indirect participant of DTC, subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Transfers in

respect of Clearing System Warrants governed by French Law, must be effected through Account Holders(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System.

Subject as set forth in this Condition, Private Placement Definitive Warrants may be transferred by the then current Holder surrendering its Private Placement Definitive Warrant for registration of transfer at the specified office of the Definitive Warrant Agent, duly endorsed by, or accompanied by a written instrument of transfer (in the form satisfactory to BNPP and the Definitive Warrant Agent), duly executed by the Holder or its duly authorised agent. Private Placement Definitive Warrants may only be issued and transferred in minimum nominal amounts of \$250,000 or more.

(a) Transfers of Warrants to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant or Regulation S Global Warrant may be made only in accordance with the following provisions:

(i)

- (A) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a Holder of Warrants represented by a Regulation S Global Warrant, to a non-U.S. person in an offshore transaction pursuant to Regulation S;
- (B) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a Holder of Warrants represented by a Regulation S Global Warrant, within the Distribution Compliance Period (as defined below) only, upon certification (in the form from time to time available from any Warrant Agent) to the New York Warrant Agent by the transferor thereof that such transfer is being made to a person who is a QIB acquiring such Warrants in a transaction meeting the requirements of Rule 144A and, after the expiration of the Distribution Compliance Period, in a transaction meeting the requirements of Rule 144A but without such certification;
- (C) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a Holder of Private Placement Definitive Warrants, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S;
- (D) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a Holder of Private Placement Definitive Warrants, upon certification (in the form from time to time available from any Warrant Agent) to the New York Warrant Agent by the transferor thereof that such transfer is being made to a person who is a QIB acquiring such Warrants in a transaction meeting the requirements of Rule 144A;
- (E) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant, from a Holder of Warrants represented by a Rule 144A Global Warrant, in a transaction meeting the requirements of Rule 144A;
- (F) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a Holder of Warrants represented by a Rule 144A Global Warrant, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S; and

(G) in each case, in accordance with any applicable rules and regulations of the Principal Warrant Agent, the New York Warrant Agent, the Definitive Warrant Agent, the relevant Clearing System, and/or as specified in the applicable Final Terms.

(ii) The Holder must send:

(A) in the case of transfers of Private Placement Definitive Warrants, a free of payment instruction to the Definitive Warrant Agent, not later than 5.00 p.m., New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect;

(B) in the case of transfers of Warrants represented by a Regulation S Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, a free of payment instruction to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, not later than 10.00 a.m. local time in the city of the relevant Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect; and

(C) in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, a free of payment instruction to DTC, not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

(iii) On the transfer date:

(A) (x) in the case of transfers of Warrants represented by a Clearing System Global Warrant, the relevant Clearing System will debit the account of its participant and (y) in the case of transfers of Private Placement Definitive Warrants, the Holder must deliver the Private Placement Definitive Warrants the subject of the transfer to the Definitive Warrant Agent and instruct the Definitive Warrant Agent to cancel the transferred Private Placement Definitive Warrants; and

(B) the relevant Clearing System or the Holder, as the case may be, will instruct (x) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Warrant Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant, and (y) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, (1) the New York Warrant Agent (in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (2) the Definitive Warrant Agent (in the case of transfers of Private Placement Definitive Warrants) to credit the relevant account of the DTC participant, or (3) the Principal Warrant Agent (in the case of transfers of Warrants represented by a Regulation S Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) to instruct DTC to credit the relevant account of the relevant Clearing System at DTC and thereafter DTC will debit such account of the relevant Clearing System, and will credit the relevant account of the DTC participant.

- (iv) Upon any such transfer, on the transfer date:
  - (A) the Principal Warrant Agent, in the case of transfers to and/or from a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant or Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, will increase or decrease, if appropriate, the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant, whereupon the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
  - (B) the New York Warrant Agent, in the case of transfers to and/or from a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Warrants represented by such Rule 144A Global Warrant, whereupon the number of Warrants represented by such Rule 144A Global Warrant shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.
- (b) Transfers of Warrants to a person who takes delivery in the form of Private Placement Definitive Warrants may be made only in accordance with the following provisions:
  - (i)
    - (A) in the case of transfers from a Holder of Private Placement Definitive Warrants, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Warrant Agent) to the Definitive Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act;
    - (B) in the case of transfers from a Holder of Warrants represented by a Rule 144A Global Warrant, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Warrant Agent) to the Definitive Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI who is acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act;
    - (C) in the case of transfers from a Holder of Warrants represented by a Regulation S Global Warrant, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) within the Distribution Compliance Period only, certification (in the form from time to time available from any Warrant Agent) to the Definitive Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act; and
    - (D) in each case, in accordance with any applicable securities laws of any state of the United States and any applicable rules and regulations of the New York Warrant Agent, the Definitive Warrant Agent, the relevant Clearing System and/or as specified in the applicable Final Terms.

(ii) The Holder must send:

- (A) in the case of transfers of Private Placement Definitive Warrants, a free of payment instruction to the Definitive Warrant Agent not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect;
- (B) in the case of transfers of Warrants represented by a Regulation S Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, a free of payment instruction to Clearstream, Luxembourg or Euroclear, as the case may be, not later than 10.00 a.m. local time in the city of the relevant Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect; and
- (C) in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, a free of payment instruction to DTC, not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

(iii) On the transfer date:

- (A) in the case of transfers of Warrants represented by a Clearing System Global Warrant, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Warrants, the Holder must deliver the Private Placement Definitive Warrants the subject of the transfer to the Definitive Warrant Agent and instruct the Definitive Warrant Agent to cancel the transferred Private Placement Definitive Warrants; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Warrant Agent to deliver or procure the delivery of new Private Placement Definitive Warrants, of a like number to the number of Warrants transferred, to the transferee at its specified office or send such new Private Placement Definitive Warrants, by uninsured mail, at the risk of the transferee, to such address as the transferee may request.

(iv) Upon any such transfer, on the transfer date:

- (A) the Principal Warrant Agent will, in the case of transfers of Warrants represented by a Regulation S Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant, if appropriate, whereupon the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
- (B) the New York Warrant Agent will, in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, decrease the number of Warrants represented by such Rule 144A Global Warrant, if appropriate, whereupon the number of Warrants represented by such Rule 144A Global Warrant shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Warrants to a person who takes delivery in the form of a Private Placement Definitive Warrant, the delivery of a duly executed investor representation letter in the form set out in the Agency Agreement (an “**Investor Representation Letter**”) from the relevant transferee to the Definitive Warrant Agent is a condition precedent to the transfer of such Private Placement Definitive Warrant or any beneficial interests therein. The Investor Representation Letter must be duly executed by such proposed transferee or such proposed transferee’s attorney duly authorised in writing, at least three Business Days in New York prior to the date the transfer of such Private Placement Definitive Warrant is desired. Any attempted transfer in which the Investor Representation Letter and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on BNPP.

If (i) the Principal Warrant Agent (in relation to Regulation S Global Warrants and Rule 144A Global Warrants held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Warrant Agent (in relation to Rule 144A Global Warrants held by a Custodian on behalf of DTC) or (iii) the Definitive Warrant Agent (in relation to Private Placement Definitive Warrants) subsequently determines or is subsequently notified by BNPP that (i) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Warrant was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, or (ii) the Holder of any interest in any Warrant was in breach, at the time given, of any representation or agreement given by such Holder (including, but not limited to, in the case of Private Placement Definitive Warrants, any such representation or agreement set forth in the relevant Investor Representation Letter) or (iii) a transfer or attempted transfer of any interest in any Warrant was consummated that did not comply with the transfer restrictions set forth in this Condition 1(D), the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee (such purported transferee, a “**Disqualified Transferee**”) and the last preceding Holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Holder thereof retroactively to the date of transfer of such interest by such Holder.

(E) Transfers of Registered Warrants

Title to the Registered Warrants will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. A Registered Warrant may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a “**Transfer Certificate**”) in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 13 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Registered Warrants as the Holder of the Registered Warrant specified in the form of transfer.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar’s specified office is located.

Registered Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognized.



## 2. Status of the Warrants and Guarantee

The Warrants are unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* among themselves.

Where the Issuer is BNPP B.V., the Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.

## 3. Guarantee

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Warrants as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Warrants as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Warrants in accordance with Condition 5(D) and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Warrants, but in lieu thereof, to make payment in respect of each such Physical Delivery Warrant of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise of such Warrants assuming they were Cash Settled Warrants calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Warrant less the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of Warrants where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the BNPP B.V. Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Warrants deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 5(C)(2)) or (y) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 16(A)), in lieu of such delivery BNPP will make payment in respect of each such Warrant of, in the case of (x) above, the Guaranteed Cash Settlement Amount or, in the case of (y) above, the Failure to Deliver Settlement Price (as defined in Condition 16(C)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Warrant shall constitute a complete discharge of BNPP's obligations in respect of such Warrant. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

## 4. Definitions

For the purposes of these Terms and Conditions, the following general definitions will apply:

"**Actual Exercise Date**" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 1, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 1);

“**Affiliate**” means in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “**control**” means ownership of a majority of the voting power of an entity;

“**Averaging Date**” means, in respect of an Actual Exercise Date,

(A) in the case of Index Warrants, Share Warrants, Debt Warrants or Currency Warrants, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (i) if “**Omission**” is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of “**Valuation Date**” will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (ii) if “**Postponement**” is specified as applying in the applicable Final Terms, then the provisions of the definition of “**Valuation Date**” will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if “**Modified Postponement**” is specified as applying in the applicable Final Terms then:
  - (a) where the Warrants are Index Warrants relating to a single Index or Share Warrants relating to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately 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 such Actual Exercise Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(y) of the definition of “**Valuation Date**” below;
  - (b) where the Warrants are Index Warrants relating to a basket of Indices or Share Warrants relating to a basket of Shares, the Averaging Date for each Index or, Share or Commodity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the “**Scheduled Averaging Date**”) and the Averaging Date for each Index or, Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Share. If the first succeeding Valid Date in relation to such Index or Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately 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 such Actual Exercise Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that

Scheduled Trading Day is already an Averaging Date) in respect of such Index or Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(y) of the definition of “Valuation Date” below; and

- (c) where the Warrants are Debt Warrants or Currency Warrants, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(B) in the case of Commodity Warrants, each date specified as such in the applicable Final Terms;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open and (i) where the Warrants are Clearing System Warrants, a day on which the relevant Clearing System is open for business, (ii) where the Warrants are Private Placement Definitive Warrants, a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York, or (iii) where the Warrants are Registered Warrants, a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Tokyo;

“**Cash Settlement Amount**” means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to Condition 5(B);

“**Chinese QFII**” means an entity outside the People’s Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (“**Qualified Foreign Institutional Investors**”) where “**Measures**” means the Measures on the Administration of Qualified Foreign Institutional Investors Investing in Domestic Securities;

“**Clearing System**” means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or DTC and/or Iberclear and/or any additional or alternative clearing system approved by the Issuer and the relevant Warrant Agent(s) from time to time and specified in the applicable Final Terms;

“**Distribution Compliance Period**” means the period expiring 40 days after completion of the distribution of the relevant Warrants unless a longer period is specified in the applicable Final Terms. In such event, the Final Terms will specify the additional restrictions on transfer and exercise applicable to the Warrants;

“**English Law Guarantee**” means a deed of guarantee dated on or before the Issue Date, executed by BNPP in respect of English Law Warrants issued by BNPP B.V.;

“**English Law Warrants**” means the Warrants specified in the applicable Final Terms as being governed by English law;

“**Entitlement**” means, in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 12) rounded down as provided in Condition 5(C)(1), as determined by the Calculation Agent including any documents evidencing such Entitlement;

**“Exercise Business Day”** means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

**“Expiration Date”** means the last day of the Exercise Period;

**“French Law Guarantee”** means the *garantie* dated on or about the Issue Date, executed by BNPP in respect of French Law Warrants issued by BNPP B.V.;

**“French Law Warrants”** means the Warrants specified in the applicable Final Terms as being governed by French law;

**“Guarantee”** means the English Law Guarantee (in respect of English Law Warrants) or the French Law Guarantee, as the case may be;

**“Iberclear”** means “La Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal”;

**“Indian FII”** means an entity incorporated outside India with either foreign institutional investor (“FII”) status in India or a register FII sub-account in India;

**“Korean Investor ID Holder”** means an entity incorporated outside the Republic of Korea that is holding an investment identity card issued by the Financial Supervisory Service of the Republic of Korea;

**“Local Time”** means local time in the city of the relevant Clearing System;

**“Observation Date”** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions contained in the definition of “Averaging Date” shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Observation Date”;

**“Observation Period”** means the period specified as the Observation Period in the applicable Final Terms;

**“Qualified Investor”** means, where the Relevant Jurisdiction is Korea, Taiwan, India, People’s Republic of China or Socialist Republic of Vietnam, a Korean Investor ID Holder, a Taiwan FINI, an Indian FII, a Chinese QFII and a Vietnamese QI, respectively;

**“Relevant Jurisdiction”** means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the Fund or the Fund Units or the Debt Securities are issued (or in which the issuer of such Shares or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms;

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

**“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 Date”** means:

- (a) in relation to Cash Settled Warrants:

(x) (other than in respect of Inflation Index Warrants) in relation to each Actual Exercise Date, (i) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Warrants relating to a basket of Indices, Share Warrants relating to a basket of Shares, Debt Warrants relating to a basket of Debt Securities or Commodity Warrants relating to a basket of Commodities and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, Debt Securities or Commodities, as the case may be, being adjusted as set out in the definition of “Valuation Date” below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, Debt Security or Commodity, as the case may be, or (ii) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Warrants relating to a basket of Indices, Share Warrants relating to a basket of Shares, Debt Warrants relating to a basket of Debt Securities or Commodity Warrants relating to a basket of Commodities and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, Debt Securities or Commodities or Inflation Indices, as the case may be, being adjusted as set out in the definition of “Averaging Date” above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, Debt Security or Commodity, as the case may be, or such other date as is specified in the applicable Final Terms; or (y) in respect of Inflation Index Warrants, the date as specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants:

the date specified as such in the applicable Final Terms.

**“Specified Maximum Days of Disruption”** means (other than with respect to Commodity Warrants) eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms;

**“Taiwan FINI”** means an entity incorporated outside Taiwan with Foreign Institutional Investor (FINI) status in Taiwan or with FINI sub-account status in Taiwan;

**“Valid Date”** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

**“Valuation Date”** means,

(a) in the case of Index Warrants, Share Warrants or Debt Warrants, unless otherwise specified in the applicable Final Terms, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Warrants are Index Warrants relating to a single Index, Share Warrants relating to a single Share or Debt Warrants relating to a single Debt Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day 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 the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:

(x) in the case of Index Warrants, by determining the level of the Index as of the Valuation Time on the last such consecutive 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 the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

- (y) in the case of Share Warrants or Debt Warrants, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (ii) where the Warrants are Index Warrants relating to a basket of Indices, Share Warrants relating to a basket of Shares or Debt Warrants relating to a basket of Debt Securities, the Valuation Date for each Index, Share or Debt Security, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share or Debt Security affected, as the case may be, (each an “**Affected Item**”) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms which, in the case of a Share or Debt Security, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
  - (x) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
  - (y) in the case of a Share or Debt Security, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day;
- (b) in the case of Commodity Warrants, the date specified in the applicable Final Terms, and otherwise in accordance with the above provisions; or

“**Valuation Time**” means:-

- (a) the Relevant Time specified in the applicable Final Terms;
- (b) in the case of Index Warrants relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (b) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or

- (c) in the case of Index Warrants relating to Indices other than Composite Indices or Share Warrants, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; and

“**Vietnamese QI**” means a corporation that both (a) is incorporated outside the Socialist Republic of Vietnam and (b) does not have any permanent establishment in the Socialist Republic of Vietnam.

## 5. Exercise Rights

### (A) Exercise Period

#### (1) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

#### *Clearing System Warrants*

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and French Law Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 6(H) shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System (in the case of English Law Warrants) or to the relevant Account Holder (in the case of French Law Warrants), and the copy thereof is received by the Principal Warrant Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the “**Actual Exercise Date**”. If any Exercise Notice is received by the relevant Clearing System or, as the case may be, the relevant Account Holder, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 6 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (i) (x) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (y) if the Warrants are Physical Delivery Warrants, become void or (ii) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 6(H) shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the New York Warrant Agent with a copy thereof received by the Principal Warrant Agent or, if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date, is referred to herein as the “**Actual Exercise Date**”. If any such Exercise Notice is received by the New York Warrant Agent, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 5.00 p.m. on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (i) (x) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (y) the Warrants are Physical Delivery Warrants, become void or (ii) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

#### *Registered Warrants*

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 6(H) shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Tokyo time, to the Registrar and a copy thereof so received by the Principal Warrant Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, the Expiration Date is referred to herein as the “**Actual Exercise Date**”. If any such Exercise Notice is delivered to the Registrar, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day which next Exercise Business



Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been received in the manner set out in Condition 6, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall (i) if (x) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (y) the Warrants are Physical Delivery Warrants, become void or (ii) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

#### *Private Placement Definitive Warrants*

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, in the case of Private Placement Definitive Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 6(H) shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the Definitive Warrant Agent with a copy thereof received by the Principal Warrant Agent or if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date, is referred to herein as the “**Actual Exercise Date**”. If any such Exercise Notice is received by the Definitive Warrant Agent, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (i) if (x) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (y) the Warrants are Physical Delivery Warrants, become void or (ii) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

#### (2) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

#### *Clearing System Warrants*

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and French Law Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style

Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6(H) shall apply.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6(H) shall apply.

#### *Registered Warrants*

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall become void. If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6(H) shall apply.

#### *Private Placement Definitive Warrants*

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6(H) shall apply.

#### **(B) Cash Settlement**

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, in the case of Warrants represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by Rule 144A

Global Warrants and Private Placement Definitive Warrants, to such certifications as to compliance with U.S. securities laws as BNPP shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

(i) where Averaging is not specified in the applicable Final Terms:

(a) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Warrants only, the nominal amount;

(b) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Warrants only, the nominal amount; and

(c) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;

(ii) where Averaging is specified in the applicable Final Terms:

(a) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Warrants only, the nominal amount;

(b) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Warrants only, the nominal amount; and

(c) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be. In such cases, the formula for determining the Cash Settlement Amount may include a deduction for sales tax in the manner specified in the applicable Final Terms.

## (C) Physical Settlement

### (1) Exercise Rights in relation to Physical Delivery Warrants

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject, in the case of Warrants, represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by a Rule 144A Global Warrant or a Private Placement Definitive Warrant, to such certifications as to compliance with U.S. securities laws as BNPP shall

require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following exercise of a Share Warrant which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 6.

## (2) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Warrants (in which case another price or prices will be specified in the applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 11 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Warrant or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor (if any).

For the purposes hereof:

“**Disruption Cash Settlement Price**” in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion);

“**Settlement Business Day**” in respect of each Warrant, has the meaning specified in the applicable Final Terms relating to such Warrant; and

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent or, if the proviso to Condition 3 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 3 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(3) Failure to Deliver due to Illiquidity

“Failure to Deliver due to Illiquidity” if specified as applying in the applicable Final Terms, will be an Additional Disruption Event, as described in Condition 16(A) below.

(D) Variation of Settlement

- (i) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Warrants (which, unless otherwise specified, will not apply to U.S. Warrants), upon a valid exercise of Warrants in accordance with these Terms and Conditions, the Issuer may at its sole and unfettered discretion in respect of each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 11.
- (ii) If specified in the applicable Final Terms, following a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date to the relevant Holders.

(E) Issuer’s Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid exercise of Warrants in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Warrants, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the “**Substitute Asset**” or the “**Substitute Assets**”, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount

equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the “**Alternate Cash Amount**”). Notification of any such election will be given to Holders in accordance with Condition 11.

For purposes hereof, a “**freely tradable**” share shall mean (i) with respect to the United States, a share which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share and not purchased from an affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction.

(F) General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions “**exercise**”, “**due exercise**” and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

None of the Issuers, the Guarantor, the Calculation Agent and any Warrant Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Warrants does not confer on any Holder of such Warrants any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this Condition to “Luxembourg or Brussels time” or “New York Time” shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

## 6. Exercise Procedure

(A) Exercise Notice in respect of Clearing System Warrants

Subject as provided in Condition 6(H), Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an “**Exercise Notice**”) in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) and the relevant Warrant Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Warrant Agent in accordance with the provisions set out in Condition 5 and this Condition.

Subject as provided in Condition 6(H), Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery by facsimile of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Warrant Agents) to the New York Warrant Agent with a copy to the Principal Warrant Agent, in accordance with the provisions set out in Condition 5 and this Condition.

(1) In the case of Cash Settled Warrants, the Exercise Notice shall:

- (a) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) specify the number of the Holder's securities account at the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) to be debited with the Warrants or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
- (c) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Warrant Agent to exercise the Warrants debited to the account of the Holder and credited to the account of the New York Warrant Agent by means of DTC's DWAC function;
- (d) (A) specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (e) (A) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Exercise Expenses**"), and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the relevant Clearing System or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Warrant Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and to pay such Exercise Expenses and/or to debit a specified account of the Holder in respect thereof and to pay such Exercise Expenses;
- (f) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (g) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with the Warrants being exercised or, in case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
- (c) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Warrant Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Holder and credited to the account of the New York Warrant Agent by means of DTC's Deposit and Withdrawal at Custodian, or "**DWAC**", function;
- (d) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Clearing System or Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Warrant Agent on the Actual Exercise Date;
- (e) include an undertaking to pay all Exercise Expenses and (A) in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or a French Law Warrant, an authority to the relevant Clearing System to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Exercise Expenses, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Warrant Agent to debit a specified account of the Holder in respect thereof and to pay such Exercise Expenses;
- (f) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account with the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the



Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with any cash payable by BNPP, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of BNPP electing to pay the Alternate Cash Amount;

- (g) in the case of Currency Warrants only, specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon exercise of the Warrants or Units, as the case may be, or in the case of Currency Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;
- (h) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (i) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (3) If Condition 5(D)(ii) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the Warrant Agents during normal office hours.

If Condition 5(D)(ii) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

(B) Exercise Notice in respect of Private Placement Definitive Warrants

Warrants may only be exercised by the delivery by facsimile of a duly completed exercise notice (an **"Exercise Notice"**) in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Warrant Agents during normal office hours) to the Definitive Warrant Agent with a copy to the Principal Warrant Agent in accordance with the provisions set out in Condition 5 and this Condition.

- (1) In the case of Cash Settled Warrants, the Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) irrevocably instruct the Definitive Warrant Agent to remove from the Private Placement Register on or before the Settlement Date the Warrants being exercised;
- (c) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (d) include an undertaking to pay all Exercise Expenses and an authority to the Definitive Warrant Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (e) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (f) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (c) include an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrant, or Units, as the case may be (together with any other amount payable), to the account of the Definitive Warrant Agent on the Actual Exercise Date;
- (d) include an undertaking to pay all Exercise Expenses and an authority to the Definitive Warrant Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (e) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the account to be credited with any cash payable by BNPP, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of BNPP electing to pay the Alternate Cash Amount;
- (f) in the case of Currency Warrants only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;

- (g) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (h) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (3) If Condition 5(D)(ii) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Definitive Warrant Agent.

(C) Exercise Notice in respect of Registered Warrants

The following provisions apply to Registered Warrants:

Warrants may only be exercised by the delivery in writing of a duly completed exercise notice (an “**Exercise Notice**”) in the form set out in the Agency Agreement (copies of which form may be obtained from the Registrar) to the Registrar with a copy to the Principal Warrant Agent in accordance with the provisions set out in Condition 5 and this Condition.

(1) In the case of Cash Settled Warrants, the Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (c) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (d) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants (“**Exercise Expenses**”) and an authority to the Registrar to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder;
- (e) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
- (f) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (c) include an undertaking to pay to the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);
- (d) include an undertaking to pay all Exercise Expenses;
- (e) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;
- (f) in the case of Currency Warrants only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;
- (g) certify, inter alia, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
- (h) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (3) If Condition 5(D)(ii) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Registrar.

#### (D) Verification of the Holder

In the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), upon receipt of an Exercise Notice, the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System (in the case of English Law Warrants) or in the accounts of the relevant Account Holders (in the case of French Law Warrants). Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Warrant Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer thereof. The relevant Clearing System or, as the case may be, the relevant Account Holder will on or before

the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the Clearing System Global Warrant, the Common Depositary will, on the instructions of, and on behalf of the Principal Warrant Agent, note such exercise on the Schedule to such Clearing System Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Registered Warrants, upon receipt of an Exercise Notice, the Registrar shall verify that the person exercising the Warrants is the Holder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer and the Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Registrar will on or before the Settlement Date remove from the Register the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Registered Global Warrant, the Registrar will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Warrant Agent shall verify that the person exercising the Warrants is the Holder according to the records of DTC. Subject thereto, the New York Warrant Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the Definitive Warrant Agent shall verify that the person exercising the Warrants is the Holder according to the Private Placement Register. Subject thereto, the Definitive Warrant Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by such Private Placement Definitive Warrant, the Holder will surrender such Private Placement Definitive Warrant and BNPP shall execute and the Definitive Warrant Agent shall authenticate and make available for delivery to the Holder a new Private Placement Definitive Warrant, in an amount equal to, and in exchange for, the unexercised portion of the Private Placement Definitive Warrant being surrendered. Notwithstanding any other provision set out herein, Private Placement Definitive Warrants may only be exercised in a notional amount of at least \$250,000, and the remaining unexercised portion thereof must be at least \$250,000.

## (E) Settlement

### (1) Cash Settled Warrants

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses.

(2) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 5(C), the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

(F) Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (i) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants), (ii) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent, (iii) in the case of Private Placement Definitive Warrants, the Definitive Warrant Agent or (iv) in the case of Registered Warrants, the Registrar, in each case, in consultation with the Principal Warrant Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Warrant Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant Agent immediately after being delivered or sent to the relevant Clearing System, the New York Warrant Agent or the Definitive Warrant Agent, as the case may be, or, as the case may be, the relevant Account Holder as provided in Condition 6(A) above or the Registrar as provided in Condition 6(C) above, as the case may be, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the relevant Clearing System, the New York Warrant Agent, the Definitive Warrant Agent, the relevant Account Holder or the Registrar, as the case may be, in consultation with the Principal Warrant Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the relevant Clearing System, the New York Warrant Agent, the Definitive Warrant Agent, the relevant Account Holder or the Registrar, as the case may be, and the Principal Warrant Agent.

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 5(A)(1), in the case of American Style Warrants, or Condition 5(A)(2), in the case of European Style Warrants, shall become void.

The relevant Clearing System, the New York Warrant Agent or the Definitive Warrant Agent (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Warrant Agents, the Registrar or the relevant Clearing System or, as the case may be, the relevant Account Holder shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

(G) Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

(H) Automatic Exercise

- (1) This Condition only applies if the Warrants are Cash Settled Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 5(A)(1) or Condition 5(A)(2).
- (2) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken (in the case of Clearing System Warrants other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (3) Unless otherwise provided in the applicable Final Terms in order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must (A) (x) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver by facsimile a duly completed Exercise Notice to the New York Warrant Agent with a copy to the Principal Warrant Agent or (y) in the case of Private Placement Definitive Warrants, deliver by facsimile a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrant to the Definitive Warrant Agent with a copy to the Principal Warrant Agent, on any Business Day in New York until not later than 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the day (the “Cut-off Date”) falling 180 days after (i) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants, or (B) in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Warrant Agent, on any Business Day until not later than 10.00 a.m., Tokyo time, on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 6(A)(1), Condition 6(A)(2), Condition 6(A)(3), Condition 6(B)(1), Condition 6(B)(2), Condition 6(B)(3), Condition 6(C)(1), Condition 6(C)(2) or Condition 6(C)(3), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, the New York Warrant Agent, the Definitive Warrant Agent or, as the case may be, the relevant Account Holder, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Warrant Agent is referred to in this Condition 6(H) as the “Exercise Notice Delivery Date”, provided that, (i) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Warrant Agent or the copy thereof is received by the Principal Warrant Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date, and (ii) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Warrant Agent or the copy thereof received by the Principal Warrant Agent after 5.00

p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date and (iii) in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Warrant Agent after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 6(H) prior to (i) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Cut-off Date or (ii) in the case of Registered Warrants, 10.00 a.m., Tokyo time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Holder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

(I) Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, the Registrar or the Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor, if any, or the Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System or, as the case may be, the relevant Account Holder in relation to the performance of its duties in relation to the Warrants.

**7. Minimum and Maximum Number of Warrants Exercisable**

(A) American Style Warrants

This Condition 7(A) applies only to American Style Warrants.

- (1) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (2) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "Quota"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise



Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(B) European Style Warrants

This Condition 7(B) applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

## **8. Illegality and Force Majeure**

(A) Illegality

If the Issuer determines that the performance of its obligations under the Warrants has become illegal in whole or in part for any reason, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 11.

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, and except as may be limited in the case of U.S. Warrants, pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

(B) Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 11.

If the Issuer cancels the Warrants then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be the fair market value (if any) of a Warrant or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

## **9. Purchases**

The Issuer may, but is not obliged to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation; provided, however, that Warrants so purchased may only be resold pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 144A, Regulation S, or otherwise thereunder.

#### **10. Warrant Agents, Registrar, Determinations and Modifications**

##### **(A) Warrant Agents and Registrar**

The specified offices of each of the Warrant Agents Agent and the Registrar is as set out at the end of these Terms and Conditions.

Each of the Issuer and the Guarantor, if any, reserves the right at any time to vary or terminate the appointment of any Warrant Agent or the Registrar and to appoint further or additional Warrant Agents or a further or additional Registrar, provided that no termination of appointment of the Warrant Agent or the Registrar, as the case may be, shall become effective until a replacement Warrant Agent or a replacement Registrar, as the case may be, shall have been appointed and provided that, so long as any of the Warrants are listed on a stock exchange, there shall be a Warrant Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange and, if the Warrants are Registered Warrants, there shall be a Registrar. So long as any of the Warrants are Private Placement Definitive Warrants, there shall be a Definitive Warrant Agent, and so long as any of the Warrants are represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, there shall be a New York Warrant Agent. Notice of any termination of appointment and of any changes in the specified office of any of the Warrant Agents or the Registrar will be given to Holders in accordance with Condition 11. In acting under the Agency Agreement, the Agent and the Registrar act solely as agents of the Issuer and the Guarantor, if any, and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations and calculations made in respect of the Warrants by the Warrant Agent or the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

##### **(B) Calculation Agent**

In relation to each issue of Warrants, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage SNC or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be an affiliate of the Issuers, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

##### **(C) Determinations by the Issuer and the Guarantor**

Any determination made by the Issuer or the Guarantor, if any, pursuant to these Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders.

##### **(D) Modifications**

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Holders in accordance with Condition 11 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

## **11. Notices**

All notices to Holders shall be valid if (i) (a) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), delivered to the relevant Clearing System, (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) for communication by them to the Holders, (b) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, to DTC for communication by it to the Holders and any such notices shall be conclusively presumed to have been received by the Holders, (c) in the case of Warrants represented by Private Placement Definitive Warrants, mailed to their registered addresses appearing in the Private Placement Register, or (d) in the case of Registered Warrants, mailed to their registered addresses appearing in the Register and (ii) for so long as the Warrants are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority. If the Warrants are listed and admitted to trading on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, notices shall be published in a daily newspaper with general circulation in Luxembourg which is expected to be the *d'Wort* or notices shall be made available on the website of the Luxembourg Stock Exchange ("[www.bourse.lu](http://www.bourse.lu)"). Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

## **12. Expenses and Taxation**

- (A) A Holder of Warrants must pay all Exercise Expenses relating to such Warrants as provided above.
- (B) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

## **13. Further Issues**

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further Warrants so as to be consolidated with and form a single series with the outstanding Warrants.

## **14. Substitution of the Issuer or the Guarantor**

- (A) Except in the case of U.S. Warrants, the Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the Warrants any company (the "**Substitute**"), being the Issuer or any other company, subject to:
  - (i) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Warrants;
  - (ii) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Warrants represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;

- (iii) the Substitute becoming party to the Agency Agreement, (unless the Substitute is a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
  - (iv) each stock exchange on which the Warrants are listed shall have confirmed that, following the proposed substitution of the Substitute, the Warrants will continue to be listed on such stock exchange;
  - (v) if appropriate, the Substitute shall have appointed a process agent as its agent in England (in the case of English Law Warrants) or France (in the case of French Law Warrants) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Warrants; and
  - (vi) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 11.
- (B) Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Warrants any company (the **"Substitute Guarantor"**), being BNPP or any other company, subject to:
- (i) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined in the sole and absolute discretion of the Calculation Agent by reference to, *inter alia*, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. and/or Moody's Investors Service Limited and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
  - (ii) the Substitute Guarantor having entered into a guarantee (the **"Substitute Guarantee"**) in respect of the Warrants in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the **"Documents"**) and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Warrants in place of BNPP (or of any previous substitute under this Condition);
  - (iii) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Warrants remain outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Warrants, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
  - (iv) each stock exchange on which the Warrants are listed having confirmed that following the proposed substitution of the Substitute Guarantor it will continue to list the Warrants;
  - (v) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Warrants) or France (in the case of French Law Warrants) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Warrants or the Substitute Guarantee; and
  - (vi) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 11.

## 15. Governing Law

### (A) English Law Warrants

- (i) The English Law Warrants, the English Law Agency Agreement and the English Law Guarantee are governed by, and shall be construed in accordance with, English law.
- (ii) This Condition is for the benefit of the Holders of English Law Warrants only. Subject as provided below, the courts of England shall have exclusive jurisdiction to settle all disputes that may, directly or indirectly, arise out of or in connection with the English Law Warrants and the English Law Guarantee and consequently each of the Issuer and the Guarantor submits to the exclusive jurisdiction of the English courts to hear all suits, actions or proceedings (together hereafter termed the **“Proceedings”**) relating to any such dispute. Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition 15(A) shall limit the right of the Holders to take any Proceedings against the Issuer and/or the BNPP B.V. Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.
- (iii) Each of the Issuer and the Guarantor hereby appoints BNP Paribas, London branch at its registered office at 10 Harewood Avenue, London NW1 6AA, as their agent in England to receive service of process in any Proceedings in England relating to the English Law Warrants and the English Law Guarantee, as the case may be. If for any reason such process agent ceases to act as such or no longer has an address in England, each of the Issuer and the Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Warrants of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

### (B) French Law Warrants

- (i) The French Law Warrants, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto (**“Proceedings”**) shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (*Cour d’Appel de Paris*). Nothing in this Condition 15(B) shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

## 16. Additional Disruption Events

Unless otherwise specified in the applicable Final Terms, the Additional Disruption Events shall not apply to any U.S. Securities.

- (A) **“Additional Disruption Event”** means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Loss of Stock Borrow, Failure to Deliver due to Illiquidity, Analogous Event, Cancellation Event, Currency Event, Force Majeure Event and/or Jurisdiction Event in each case if specified in the applicable Final Terms, save that any reference in the definitions of the above Additional Disruption Events to “Share” and “Share Company” shall instead be references to “Debt Security” and “Security Issuer” (as defined in the Final Terms) respectively in respect of Debt Security or Debt Warrants.

**“Change in Law”** means that, on or after the Trade Date (as specified in the applicable Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax

law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share Warrants) or any relevant hedge positions relating to an Index (in the case of Index Warrants);

**“Failure to Deliver due to Illiquidity”** means, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **“Affected Relevant Assets”**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets;

**“Hedging Disruption”** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s);

**“Hedging Shares”** means the number of Shares (in the case of Share Warrants) or securities/commodities comprised in an Index (in the case of Index Warrants) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Warrants;

**“Increased Cost of Hedging”** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade 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 transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Warrants, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

**“Increased Cost of Stock Borrow”** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share (in the case of Share Warrants) or any security/commodity comprised in an Index (in the case of Index Warrants) that is greater than the Initial Stock Loan Rate;

**“Initial Stock Loan Rate”** means, in respect of a Share (in the case of Share Warrants) or a security/commodity comprised in an Index (in the case of Index Warrants), the initial stock loan rate specified in relation to such Share, security or commodity in the applicable Final Terms;

**“Insolvency Filing”** means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

**“Loss of Stock Borrow”** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share (in the case of Share Warrants) or any

securities/commodities comprised in an Index (in the case of Index Warrants) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate; and

**“Maximum Stock Loan Rate”** means, in respect of a Share (in the case of Share Warrants) or a security/commodity comprised in an Index (in the case of Index Warrants), the Maximum Stock Loan Rate specified in the applicable Final Terms.

(B) Additional Definitions

The following additional Condition 16(B) shall apply only if so specified in the Final Terms.

**“Analogous Event”** means any analogous event to any of the Additional Disruption Event as determined by the Calculation Agent;

**“Cancellation Event”** means, that in the determination of the Calculation Agent, all or some of the Debt Securities, are terminated or cancelled for any reason, and as a result thereof in the sole discretion of the Calculation Agent, such termination or cancellation either affects the aggregate hedge positions in respect of the Warrants or otherwise makes it impossible, impracticable or unduly onerous for the Issuer or the hedge provider to hedge the Issuer’s obligations in respect of the Warrants;

**“Currency Event”** means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its affiliates or any Qualified Investor (a) to convert the relevant currency (**“Local Currency”**) in which the Shares, the Index or the Debt Securities or any options or futures contracts or other hedging arrangement in relation to the Shares, the Index or the Debt Securities (for the purposes of hedging the Issuer’s obligations under the Warrants) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Shares, the Index or the Debt Securities or any options or futures contracts in relation to the Shares, the Index or the Debt Securities respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Warrants;

**“Force Majeure Event”** means that, on or after the Trade Date, the performance of the Issuer’s obligations under the Warrants is prevented or materially hindered or delayed due to (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party’s control; or (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer (or any of its relevant affiliates) or any Qualified Investor, of all or substantially all of its assets in the Local Currency jurisdiction;

**“Jurisdiction Event”** means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its affiliates or a Qualified Investor to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Shares, the Index or the Debt Securities or any options or futures contracts in relation to the Shares, the Index or the Debt Securities in order for the Issuer to perform its obligations under the Warrants or in respect of any relevant hedging arrangements in connection with the Warrants (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position or other instruments or arrangements (however described) by the Issuer (or any of its affiliates) in order to hedge, either individually or on a portfolio basis, the Warrants) or the costs of so doing would (in the absolute determination of the

Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgement, order, interpretation, directive or decree of any Government Authority or otherwise; and

**“Government Authority”** means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

- (C) If an Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) unless Cancellation on Occurrence of Additional Disruption Event is specified as not applicable in the applicable Final Terms, cancel the Warrants by giving notice to Holders in accordance with Condition 11. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

If a Failure to Deliver due to Illiquidity occurs:

- (i) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 5(C)(2) and the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Warrants (in which case another price or prices will be specified in the applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

**“Failure to Deliver Settlement Price”** in respect of any relevant Warrant or Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus, if applicable and already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).



- (D) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 11 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

## 17. Adjustments for European Monetary Union

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 11:

- (A) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Warrants shall be redenominated in euro;

The election will have effect as follows:

- (a) where the Settlement Currency of the Warrants is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Warrants will be made solely in euro as though references in the Warrants to the Settlement Currency were to euro;
- (b) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and
- (c) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or
- (B) require that the Calculation Agent make such adjustments to the Weighting and/or the Settlement Price and/or the Exercise Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting and/or the Settlement Price and/or the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Warrant Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

In this Condition, the following expressions have the following meanings:

“**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

“**Established Rate**” means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) of the Treaty;

“**euro**” means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

“**National Currency Unit**” means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

“**Treaty**” means the treaty establishing the European Community, as amended.

#### **18. Contracts (Rights of Third Parties) Act 1999**

The English Law Warrants do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of such Warrants but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## ANNEX 1

### ADDITIONAL TERMS AND CONDITIONS FOR INDEX WARRANTS

*The terms and conditions applicable to Index Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Index Warrant Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Warrant Conditions, the Index Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Index Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

“**Composite Index**” means any Index specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

“**Component**” means each and any component security of any Index;

“**Disrupted Day**” means:

- (i) in respect of any Composite Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of such Index, (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred; and
- (ii) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which a relevant Exchange or a Related Exchange (if any) fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

“**Early Closure**” means:

- (i) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (ii) in the case of an Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20% or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) 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:

- (i) in the case of a Composite Index, in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Calculation Agent, any successor thereto or any substitute exchange or quotation system to which trading in the securities/commodities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable

liquidity relative to the shares on such temporary substitute exchange or quotation system as on the original Exchange); and

- (ii) in the case of any Index which is not a Composite Index, and in respect of such Index each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means either (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of a basket of Indices, Exchange Business Day (All Indices Basis) or Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

**“Exchange Business Day (All Indices Basis)”** means any Scheduled Trading Day on which (i) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are open for trading during their respective regular trading session(s) in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time and (ii) in respect of any Composite Indices, (a) the Index Sponsor publishes the level of such Composite Indices and (b) each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Business Day (Per Index Basis)”** means, in respect of an Index, any Scheduled Trading Day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during its regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Composite Index, (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) the Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Business Day (Single Index Basis)”** means any Scheduled Trading Day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during its regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Composite Index (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Disruption”** means:-

- (i) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (a) any Component on the Exchange in respect of such Component; or (b) in futures or options contracts relating to such Index on the Related Exchange; and
- (ii) in the case of an Index which is not a Composite 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 (a) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20% or more of the level of the relevant Index, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

**“Index”** and **“Indices”** mean, subject to adjustment in accordance with this Annex 1, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly;

**“Index Sponsor”** means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date of the Warrants is the index sponsor specified for such Index in the applicable Final Terms;

**“Related Exchange”** means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

**“Scheduled Trading Day”** means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a basket of Indices, Scheduled Trading Day (All Indices Basis) or Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

**“Scheduled Trading Day (All Indices Basis)”** means any day on which (i) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s) in respect of such Indices, and (ii) in respect of any Composite Indices, (a) the Index Sponsor is scheduled to publish the level of such Composite Indices and (b) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

**“Scheduled Trading Day (Per Index Basis)”** means, in respect of an Index, any day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s) and (ii) in respect of a Composite Index, (a) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

**“Scheduled Trading Day (Single Index Basis)”** means, any day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of a Composite Index (a) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex and as referred to in “Valuation Date” or “Averaging Date”, as the case may be:

- (i) in the case of Index Warrants relating to a basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (a) if Averaging is not specified in the applicable Final

Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

- (ii) in the case of Index Warrants relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

**“Trading Disruption”** means:

- (i) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to any Component on the Exchange in respect of such Component; or (b) in futures or options contracts relating to such Index on the Related Exchange; and
- (ii) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to securities that comprise 20% or more of the level of the relevant Index; or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

## 2. Market Disruption

**“Market Disruption Event”** means, in relation to Warrants relating to a single Index or basket of Indices:-

(A) in respect of a Composite Index:

- (i) (a) the occurrence or existence, in respect of any Component, of:
  - (1) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
  - (2) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
  - (3) an Early Closure in respect of such Component; and
- (b) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20% or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant

percentage contribution of that Component to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market “opening data”; and

- (B) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (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. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such 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 (i) the portion of the level of such Index attributable to that security and (ii) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been an Averaging Date, an Observation Date or a Valuation Date.

### 3. Adjustments to an Index

- (A) Successor Index Sponsor Calculates and Reports an Index

If a relevant 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 that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

- (B) Modification and Cessation of Calculation of an Index

If (i) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”), or permanently cancels a relevant Index and no Successor Index exists (an “**Index Cancellation**”), or (ii) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Calculation, each an “**Index Adjustment Event**”), then, except as may be limited in the case of U.S. Warrants,

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Warrants and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) unless Cancellation on Occurrence of Index Adjustment Event is specified as being not applicable in the applicable Final Terms, the Issuer may cancel the Warrants by giving notice to Holders in accordance with General Condition 11. If the Warrants are so cancelled the Issuer will pay an amount to

each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11.

(C) Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Warrant Agent or the Registrar, as the case may be, of any determination made by it pursuant to paragraph (B) above and the action proposed to be taken in relation thereto and such Warrant Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

**4. Correction of Index**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants, is subsequently corrected and the correction published by the relevant Index Sponsor within 30 days of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

**5. Knock-in Event and Knock-out Event**

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

(E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**“Knock-in Event”** means:



- (i) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
  - (ii) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (x) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,
- (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-in Level as specified in the applicable Final Terms;

**“Knock-in Level”** means (i) in the case of a single Index, the level of the Index or (ii) in case of a basket of Indices, the level, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Warrant Condition 2 (*Market Disruption*) and Index Warrant Condition 3 (*Adjustments to an Index*);

**“Knock-in Determination Day”** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject, in either case, to the provisions set forth in Index Warrant Condition 2 (*Market Disruption*). For the purposes of such Condition, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to “Omission”, “Postponement” or “Modified Postponement”, as the case may be, contained in the definition of “Averaging Date” in General Condition 3(C) shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Knock-in Determination Day”;

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**“Knock-in Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or 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;

**“Knock-out Determination Day”** means the date(s) as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject, in either case, to the provisions set forth in Index Warrant Condition 2 (*Market Disruption*). For the purposes of such Condition, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to “Omission”, “Postponement” or “Modified Postponement”, as the case may be, contained in the definition of “Averaging Date” in General Condition 4 shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Knock-out Determination Day”;

**“Knock-out Event”** means:

- (i) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or

(ii) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (x) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) “greater than”, (B) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-out Level as specified in the applicable Final Terms;

**“Knock-out Level”** means, in the case of a single Index, (i) the level of the Index or (ii) in the case of a Basket of Indices, the level, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Warrant Condition 2 (*Market Disruption*) and Index Warrant Condition 3 (*Adjustments to an Index*);

**“Knock-out Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-out Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or 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.

## ANNEX 2

### ADDITIONAL TERMS AND CONDITIONS FOR SHARE WARRANTS

*The terms and conditions applicable to Share Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Share Warrant Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Warrant Conditions, the Share Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Share Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

**“Basket Company”** means a company whose shares are included in the basket of Shares and **“Basket Companies”** means all such companies;

**“Disrupted Day”** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

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

**“Exchange”** means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means either (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a basket of Shares, Exchange Business Day (All Shares Basis) or Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

**“Exchange Business Day (All Shares Basis)”** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time;

**“Exchange Business Day (Per Share Basis)”** means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**“Exchange Business Day (Single Share Basis)”** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their 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, the Share on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange;

**“Related Exchange”** means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

**“Scheduled Trading Day”** means either (i) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of a basket of Shares, Scheduled Trading Day (All Shares Basis) or Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

**“Scheduled Trading Day (All Shares Basis)”** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

**“Scheduled Trading Day (Per Share Basis)”** means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s);

**“Scheduled Trading Day (Single Share Basis)”** means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex and as referred to in “Valuation Date” or “Averaging Date”, as the case may be:

- (i) in the case of Share Warrants relating to a basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the

relevant Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

- (ii) in the case of Share Warrants relating to a single Share, an amount equal to the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

**"Shares"** and **"Share"** mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Warrants relating to a basket of Shares, each share and, in the case of an issue of Warrants relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

**"Share Company"** means, in the case of an issue of Warrants relating to a single Share, the company that has issued such share; and

**"Trading Disruption"** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the Share on the Exchange; or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

## 2. Market Disruption

**"Market Disruption Event"** means, in relation to Warrants relating to a single Share or a basket of Shares, in respect of a Share the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which 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.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, or an Observation Date or a Valuation Date.

### 3. Potential Adjustment Events

**“Potential Adjustment Event”** means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing Holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Except as may be limited in the case of U.S. Warrants, following the declaration by the Basket Company or Share Company, as the case may be, 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 Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion 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, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11, stating the adjustment to any Relevant

Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

4. Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency

**“De-Listing”** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (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 are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) Holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

**“Merger Date”** means the closing date of a Merger Event or, where 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 any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, 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% of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Warrants, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Warrant or (b) in the case of Physical Delivery Warrants, the relevant Settlement Date.

**“Nationalisation”** means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“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 50% and less than 100% of the outstanding voting shares of the Basket Company or Share Company, as the case may be, 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.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c), (d) or, in the case of Warrants relating to a basket of Shares only (e) below (except as may be limited in the case of U.S. Warrants):

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Warrants. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange. In addition such adjustment may be made in accordance with the provisions of subparagraph (v) below;
- (b) in the case of Share Warrants relating to a basket of Shares cancel part of the Warrants by giving notice to Holders in accordance with General Condition 11. If the Warrants are so cancelled in part the portion (the **"Cancelled Amount"**) of each Warrant or if Units are specified in the applicable Final Terms each Unit representing the affected Share(s) shall be cancelled and the Issuer will (i) pay to each Holder in respect of each Warrant or Units, as the case may be, held by him an amount equal to the fair market value of the Cancelled Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation in part. For the avoidance of doubt the remaining part of each Warrant or Unit, as the case may be, after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11;
- (c) unless Cancellation on Occurrence of Extraordinary Event is specified as being not applicable in the applicable Final Terms, cancel the Warrants by giving notice to Holders in accordance with General Condition 8. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11; or
- (d) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **"Options Exchange"**), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise



Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

- (e) on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-Listing (as the case may be), the Calculation Agent may adjust the basket to include a share selected by it in accordance with the criteria for share selection set out below (each, a “**Substitute Share**”) for each Share (each, an “**Affected Share**”) which is affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-Listing and the Substitute Share and its issuer will be deemed to be a “**Share**” and the relevant issuer of such shares “**Basket Company**” for the purposes of the Warrants, respectively, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (for the avoidance of doubt) the Exercise Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Exercise Price} = A \times (B / C)$$

where:

“A” is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

“B” is the Exercise Price of the relevant Affected Share; and

“C” is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the basket will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”) in its absolute discretion and specified in the notice referred to in sub-paragraph (c) below which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalisation, Insolvency or De-Listing (as the case may be).

The Weighting of each Substitute Share in the basket will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:

1. is not already included in the basket;
2. the relevant issuer of such share belongs to a similar economic sector as the Basket Company in respect of the Affected Share; and
3. the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details

thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. Correction of Share Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants, is subsequently corrected and the correction published by the relevant Exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

6. Knock-in Event and Knock-out Event

- (a) If **“Knock-in Event”** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (b) If **“Knock-out Event”** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is, in either case, expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- (d) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the price of the Share triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- (e) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**“Knock-in Determination Day”** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions set forth in paragraph Share Warrant Condition 2 (*Market Disruption*). For the purposes of such Condition, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to “Omission”, “Postponement” or “Modified Postponement”, as the case may be, contained in the definition of “Averaging Date” in General Condition 4 shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Knock-in Determination Day”;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-in Event”** means:

- (i) (in the case of a single Share) that the price of the Share determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (ii) (in the case of a Basket of Shares) that the amount determined by the Calculation Agent equal to the sum of the values of the Shares of each Company as the product of (x) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-in Price as specified in the applicable Final Terms;

**“Knock-in Price”** means, (i) in case of a single Share, the price per Share or (ii) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Warrant Condition 2 (*Market Disruption*) and as set forth in Share Warrant Condition 3 (*Potential Adjustment Events*) and Share Warrant 4 (*Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*);

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**“Knock-in Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or 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;

**“Knock-out Determination Day”** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions set forth in Share Warrant Condition 2 (*Market Disruption*). For the purposes of such Condition, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to “Omission”, “Postponement” or “Modified Postponement”, as the case may be, contained in the definition of “Averaging Date” in General Condition 4 shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Knock-out Determination Day”;

**“Knock-out Event”** means:

- (i) (in the case of a single Share) that the price of the Share determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (ii) (in the case of a Basket of Shares) that the amount determined by the Calculation Agent equal to the sum of the values of each Share as the product of (x) the price of such Share as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting,

(A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-out Price as specified in the applicable Final Terms;

**“Knock-out Price”** means, (i) in the case of a single Share, the price per Share or (ii) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Warrant Condition 2 (*Market Disruption*) and set forth in Share Warrant Condition 3 (*Potential Adjustment Events*) and Share Warrant Condition 4 (*Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*);

**“Knock-out Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-out Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or, 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.

## ANNEX 3

### ADDITIONAL TERMS AND CONDITIONS FOR GDR WARRANTS

*The terms and conditions applicable to GDR Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**GDR Warrant Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the GDR Warrant Conditions, the GDR Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the GDR Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Share Event in Respect of GDR Warrants

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) or (d) set out in Share Warrant Condition 4. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

“**Share Event**” means each of the following events:

- (i) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (ii) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

#### 2. Potential Adjustment Event

The following additional event shall be added to Share Warrant Condition 3:

a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares.

#### 3. General

Save where specifically provided under the Final Terms, all provisions of the Conditions which relate to Share Warrants (including, *inter alia*, the Share Warrant Conditions), if relevant, shall be applicable to GDR Warrants as if references therein to the “Shares” were to the GDRs and/or the Underlying Shares, references to the “Share Company” or “Basket Company”, as applicable, were to the issuer of the GDRs and the issuer of the Underlying Shares and references to the “Exchange” were to the exchange or quotation system on which the GDRs are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Warrants.

## ANNEX 4

### ADDITIONAL TERMS AND CONDITIONS FOR DEBT WARRANTS

*The terms and conditions applicable to Debt Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “General Conditions”) and the additional Terms and Conditions set out below (the “Debt Warrant Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Debt Warrant Conditions, the Debt Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Debt Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Settlement Price

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in “Valuation Date” or “Averaging Date” above:

- (i) in the case of Debt Warrants relating to a basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Weighting; and
- (ii) in the case of Debt Warrants relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security.

#### 2. Market Disruption

**“Market Disruption Event”** shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 that a Market Disruption Event has occurred.

#### 3. Correction of Debt Security Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of a Cash Settlement Amount, if the price of the relevant Debt Security published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants, is

subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Security as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.

## ANNEX 5

### ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY WARRANTS

*The terms and conditions applicable to Commodity Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “General Conditions”) and the additional Terms and Conditions set out below (the “Commodity Warrant Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Warrant Conditions, the Commodity Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Commodity Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

**“Commodity”** means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly;

**“Commodity Business Day”** means:

- (i) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
- (ii) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price;

**“Commodity Fallback Value”** means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent;

**“Commodity Index”** means an index comprising one or more commodities or commodity futures contracts (each a **“Component”**);

**“Commodity Reference Price”** means, in respect of any Commodity or Commodity Index the price specified in the applicable Final Terms;

**“Component Futures”** means, at any time, the futures contracts used by the Price Source at such time to calculate the Commodity Reference Price (each a **“Component Future”**);

**“Disappearance of Commodity Reference Price”** means (i) the permanent discontinuation of trading, in the relevant Commodity or in the case of a Commodity Index, Component on the relevant Exchange or (ii) the disappearance of, or of trading in, the relevant Commodity or Component or (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Commodity or Component;

**“Exchange”** means, in relation to a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Reference Price,;



**“Index Component Disruption Event”** means:

- (i) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Component Futures published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (ii) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Component Futures published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

**“Material Change in Formula”** means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

**“Material Change in Content”** means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity, or, in the case of a Commodity Index, Component;

**“Price Source”** means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Relevant Price (or prices from which the Relevant Price is calculated) specified in the relevant Commodity Reference Price;

**“Price Source Disruption”** means (i) the failure of the Price Source to announce or publish the Relevant Price (or the information necessary for determining the Relevant Price) for the relevant Commodity Reference Price, or (ii) the temporary or permanent discontinuance or unavailability of the Price Source;

**“Pricing Date”** means each date specified in the Final Terms or if that is not a Commodity Business Day the immediately succeeding Commodity Business Day;

**“Reference Dealers”** means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

**“Relevant Price”** means, in respect of any Commodity or Commodity Index and a day, the Commodity Reference Price in respect of such Commodity or such Commodity Index, as the case may be, on such day;

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as provided in this Annex and as referred to in “Valuation Date” or “Averaging Date”, as the case may be:

- (i) in the case of Commodity Warrants relating to a basket of Commodities or Commodity Indices, an amount equal to the sum of the values calculated for each Commodity or Commodity Index, as the case may be, as the Relevant Price for each Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (ii) in the case of Commodity Warrants relating to a single Commodity or Commodity Index, an amount equal to the Relevant Price of the Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

**“Specified Maximum Days of Disruption”** means two (2) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

**“Tax Disruption”** means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index, Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

**“Trading Disruption”** means the material suspension of, or the material limitation imposed on, trading in the relevant Commodity or in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (i) a suspension of the trading in the Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
  - (a) all trading in the Commodity or Component, as the case may be, is suspended for the entire Pricing Date; or
  - (b) all trading in the Commodity or Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Commodity or Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (ii) a limitation of trading in the relevant Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Commodity or Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range.

## **2. Market Disruption**

**“Market Disruption Event”** means, in respect of a relevant Commodity or Commodity Index, and as determined by the Calculation Agent, the occurrence or existence of:

- (i) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (ii) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (iii) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Condition 11, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

## **3. Disruption Fallbacks**

**“Disruption Fallback”** means a source or method specified in the applicable Final Terms as giving rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source).

- (a) Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content, then

- (i) the Calculation Agent shall determine if such event has a material effect on the Warrants and, if so, shall calculate the Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
- (ii) unless Cancellation on Occurrence of Market Disruption Event is specified as not applicable in the applicable Final Term, on giving notice to Holders in accordance with General Condition 11, the Issuer shall cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of such Warrant, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 11.

- (b) Tax Disruption

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption has a material effect on the Warrants and if so (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Warrants or, if it determines that such adjustments cannot be made, (ii) on giving notice to Holders in accordance with General Condition 11, the Issuer shall cancel all but not some only of the Warrants, each Warrant being settled by payment of an amount equal to the fair market value of a Warrant, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 11.

- (c) Price Source Disruption and Trading Disruption

If, with respect to the relevant Pricing Date, a Price Source Disruption or Trading Disruption has been in existence in excess of the Specified Maximum Days of Disruption and no Successor Commodity Price is available in respect of such Pricing Date, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Commodity Reference Price.

- (d) Index Component Disruption

If the Calculation Agent determines that, on a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant

Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

The relevant Final Terms may specify any Additional Disruption Fallback(s) that will apply.

#### 4. **Correction of Commodity Reference Price**

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment of a Cash Settlement Amount, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Warrants is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to the relevant Settlement Date will be disregarded by the Calculation Agent for the purposes of determining any Cash Settlement Amount.]

#### 5. **Knock-in-Event and Knock-out Event**

- (a) If **“Knock-in Event”** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (b) If **“Knock-out Event”** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- (d) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- (e) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**“Knock-in Determination Day”** means the date(s) specified as such in the applicable Final Terms;

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**“Knock-in Event”** means (i) in the case of a single Commodity, that the Commodity Reference Price determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Commodity as the product of (x) the Relevant Price as of the Knock-in Valuation Time

on any Knock-in Determination Day and (y) the relevant Weighting is (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-in Level as specified in the applicable Final Terms;

**“Knock-in Level”** means (i) in the case of a single Commodity, the Relevant Price or (ii) in case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Warrant Condition 2 (*Market Disruption*), and Commodity Warrant Condition 3 (*Disruption Fallbacks*);

**“Knock-in Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

**“Knock-in Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or 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;

**“Knock-out Determination Day”** means the date(s) specified as such in the applicable Final Terms;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-out Event”** means (i) in the case of a single Commodity, that the Relevant Price determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (x) the Commodity Reference Price as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-out Level as specified in the applicable Final Terms;

**“Knock-out Level”** means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Warrant Condition 2 (*Market Disruption*) and Commodity Warrant 3 (*Disruption Fallbacks*);

**“Knock-out Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

**“Knock-out Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day; and

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or 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.

## ANNEX 6

### ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX WARRANTS

*The terms and conditions applicable to Inflation Index Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “General Conditions”) and the additional Terms and Conditions set out below (the “Inflation Index Warrant Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Inflation Index Warrant Conditions, the Inflation Index Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Inflation Index Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

“**Cut-Off Date**” means, in respect of a Valuation Date, five Business Days prior to such Valuation Date;

“**Delayed Index Level Event**” means, in respect of any Valuation Date, that the Index Sponsor fails to publish or announce the Relevant Level;

“**Fallback Bond**” means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a Cash Settlement Amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (i) the same day as the Settlement Date, (ii) the next longest maturity after the Settlement Date if there is no such bond maturing on the Settlement Date, or (iii) the next shortest maturity before the Settlement Date if no bond defined in (i) or (ii) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or Cash Settlement Amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

“**Index Cancellation**” means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor Index exists;

“**Index Modification**” means, in relation to an Inflation Index, the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Inflation Index or in any other way materially modifies the Inflation Index;]

“**Index Sponsor**” means the entity that publishes or announces (directly or through an agent) the level of the Inflation Index which as of the Issue Date of the Warrants is the index sponsor set out in the applicable Final Terms;

“**Inflation Index**” or “**Inflation Indices**” means the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly;

“**Rebased Index**” has the meaning given to it under Inflation Index Warrant Condition 4 (*Adjustments*) below;

**“Reference Month”** means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Reference Level was reported;

**“Related Bond”** means the bond specified as such in the relevant Final Terms. If the Related Bond specified in the applicable Final Terms is “Fallback Bond”, then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and “Fallback Bond: Not Applicable” is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Settlement Date, unless “Fallback Bond: Not Applicable” is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

**“Related Bond Redemption Event”** means, if specified as applicable in the relevant Final Terms, at any time prior to the Expiration Date, (i) the Related Bond is settled, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

**“Relevant Level”** means, in respect of any Valuation Date, the level of the Inflation Index, in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Settlement Date, at any time on or prior to the Cut-Off Date;

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the Relevant Level;

**“Successor Inflation Index”** has the meaning given to it in Inflation Index Warrant Condition 3 (*Successor Inflation Index*) below; and

**“Substitute Inflation Index Level”** means, in respect of a Delayed Index Level Event, the Index Level determined by the Issuer in accordance with Inflation Index Warrant Condition 2 (*Delay in Publication*) below; and

## **2. Delay in Publication**

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Valuation Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Valuation Date (the **“Substitute Inflation Index Level”**) shall be determined by the Calculation Agent (subject to Inflation Index Warrant Condition 4(B) (*Substitute Inflation Index Level*) below, as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (b) if (i) Related Bond is specified as not applicable in the relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:
  - (i)  $\text{Substitute Inflation Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level})$ ; or
  - (ii) otherwise in accordance with any formula specified in the relevant Final Terms,

where:

**“Base Level”** means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined;

**“Latest Level”** means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined; and

**“Reference Level”** means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall promptly give notice to the Holders in accordance with General Condition 11 of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Index Warrant Condition 2 will be the definitive level for that Reference Month.

### 3. **Successor Inflation Index**

If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a successor index (a **“Successor Inflation Index”**) (in lieu of any previously applicable Index) for the purposes of the Warrants as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a “Successor Inflation Index” by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if (i) Related Bond is specified as not applicable in the applicable Final Terms or (ii) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a “Successor Inflation Index”;
- (c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the “Successor Inflation Index”; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the “Successor Inflation Index”; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a “Successor Inflation Index”; or
- (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.



For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Index for the purposes of the Inflation Index Warrants. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to holders of the Inflation Index Warrants by the Issuer in accordance with General Condition 11.

#### 4. Adjustments

##### (A) Successor Inflation Index

If a Successor Inflation Index is determined in accordance with Inflation Index Warrant Condition 3 (*Successor Inflation Index*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to the final Cash Settlement Amount payable under the Warrants (if any) and/or any other relevant term of the Warrants as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with General Condition 11.

##### (B) Substitute Inflation Index Level

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Index Warrant Condition 2 (*Delay in Publication*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (i) the Substitute Inflation Index Level determined in accordance with Inflation Index Warrant Condition 2 (*Delay in Publication*) above and/or (ii) the Cash Settlement Amount payable under the Warrants (if any) and/or any other relevant term of the Warrants, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with General Condition 11.

##### (C) Index Level Adjustment Correction

- (i) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index Warrant Condition 4(F) (*Adjustments - Index Modification*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Valuation Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Holders of any valid revision in accordance with General Condition 11.
- (ii) If, within thirty days of publication or at any time prior to a Valuation Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Valuation Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to the Cash Settlement Amount payable under the Warrants (if any) and/or any other relevant term of the Warrants as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Holders of any such adjustment and/or amount in accordance with General Condition 11.
- (iii) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Valuation Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (a) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Index Warrants and that the Substitute Inflation Index Level shall be

deemed to be the definitive Relevant Level for the relevant Reference Month, or (b) to make any adjustment to the Cash Settlement Amount payable under the Warrants (if any) and/or any other relevant term of the Warrants as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Holders of any determination in respect of (a) or (b), together with any adjustment or amount in respect thereof, in accordance with General Condition 11.

(D) 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 Cash Settlement Amount, Exercise Price and/or any other relevant term of the Warrants (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to the Cash Settlement Amount, Exercise Price and/or any other relevant term of the Warrants as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with General Condition 11.

(E) Rebasing

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (i) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (ii) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to the Cash Settlement Amount payable under the Warrants (if any) and/or any other term of the Warrants as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (i) nor (ii) above would produce a commercially reasonable result, the Issuer may cancel each Warrant on a date notified by the Issuer to Holders in accordance with General Condition 11 in which event the Issuer will pay to each Holder in respect of each such Warrant or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by him an amount equal to the fair market value of a Warrant or a Unit, as the case may be, as determined by the Calculation Agent as at the date of cancellation taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, cancellation of the Warrants or determination pursuant to this paragraph shall be given to Holders in accordance with General Condition 11.

(F) Index Modification

- (i) If on or prior to the Cut-Off Date in respect of any Valuation Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (a) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Warrants (including, without limitation, the Cash Settlement Amount payable under the Warrants), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (b) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Inflation Index Warrants (including, without limitation, the Cash Settlement Amount payable under the Warrants), as the

Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.

- (ii) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Valuation Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Valuation Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Settlement Date such that the provisions of sub-paragraph (i) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (i) above.

(G) *Index Cancellation*

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may:

- (i) elect for the Calculation Agent to calculate the relevant Settlement Price using, in lieu of a published level for that Inflation Index, the level for that Inflation Index, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Inflation Index last in effect prior to cancellation;
- (ii) cancel each Warrant on the date notified by the Issuer to Holders in accordance with General Condition 11 in which event the Issuer will pay to each Holder in respect of such Warrant, or if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by him an amount equal to fair market value of a Warrant or a Unit, as the case may be, as determined by the Calculation Agent as at the date of cancellation taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any cancellation of the Warrants pursuant to this paragraph shall be given to Holders in accordance with General Condition 11.

## ANNEX 7

### ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY WARRANTS

*The terms and conditions applicable to Currency Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Currency Warrant Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Currency Warrant Conditions, the Currency Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Currency Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Settlement Price

“**Settlement Price**” means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be:

- (i) in the case of Currency Warrants relating to a basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; and
- (ii) in the case of Currency Warrants relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent).

#### 2. Knock-in-Event and Knock-out Event

- (a) If “**Knock-in Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (b) If “**Knock-out Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (c) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**“Knock-in Determination Day”** means the date(s) specified as such in the applicable Final Terms;

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**“Knock-in Event”** means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is, (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-in Level as specified in the applicable Final Terms;

**“Knock-in Level”** means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

**“Knock-in Period Beginning Date”** means the date specified as such in the applicable Final Terms;

**“Knock-in Period Ending Date”** means the date specified as such in the applicable Final Terms;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or 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;

**“Knock-out Determination Day”** means the date(s) as specified as such in the applicable Final Terms;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-out Event”** means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is, (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-out Level as specified in the applicable Final Terms;

**“Knock-out Level”** means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

**“Knock-out Period Beginning Date”** means the date specified as such in the applicable Final Terms;

**“Knock-out Period Ending Date”** means the date specified as such in the applicable Final Terms; and

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or 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.

## ANNEX 8

### ADDITIONAL TERMS AND CONDITIONS FOR FUND WARRANTS

*The terms and conditions applicable to Fund Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Fund Warrant Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Fund Warrant Conditions, the Fund Warrant Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Fund Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

“**Additional Extraordinary Fund Event**” has the meaning given to it in the applicable Final Terms.

“**Fund**” means the Fund or Funds specified in the applicable Final Terms.

“**Fund Documents**” means the prospectus, information memorandum and/or offering circular issued by the Fund in respect of the Shares and the constitutional documents of the Fund in each case specified in the applicable Final Terms.

“**Fund Share(s)**” means the shares, units or other similar interests in the Fund specified in the applicable Final Terms.

“**Hedge Provider**” such party as may from time to time hedge the Issuer’s payment obligations in respect of the Warrants. The Hedge Provider may be, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party holding Fund Shares or entering into any agreement to purchase or deliver, or pay an amount linked to the performance of the Fund Shares.

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“**NAV Barrier**” has the meaning given to it in the applicable Final Terms or its equivalent in another currency.

“**Net Asset Value per Fund Share**” means the net asset value (howsoever such term is defined in the Fund Documents) per Fund Share.

“**Number of NAV Publication Days**” has the meaning given to it in the applicable Final Terms.

#### 2. Extraordinary Fund Events

“**Extraordinary Fund Event**” means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (a) the Fund or the investment advisor, investment manager or sub-manager (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting

creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in 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; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has 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 (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (v) above;

- (b) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, the investment advisor, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Warrants;
- (c) any of the administrator, the custodian, the fund paying agent, the fund transfer agent, the domiciliary agent, the investment adviser and investment manager or sub-manager or other agents or the entities fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (d) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (e) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the Net Asset Value per Fund Share or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund (including, without limitation, the suspension of the Net Asset Value per Fund Share), in each case other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relate (either alone or in common with other Fund Shares issued by the Fund);
- (f) the investment advisor, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (g) (i) the occurrence of any event affecting the Fund Shares 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 Shares, and such event continues for at least 10 Business Days; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Shares;

- (h) any of the Fund, the administrator or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the Net Asset Value per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (i) (i) any relevant activities of or in relation to the Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund or the investment adviser, manager or sub-manager thereof, (iii) the Fund is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Notes;
- (j) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares submitted by the Hedge Provider (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdictions legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares) as described in the Fund Documents, (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants or (vi) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason;
- (k) the aggregate net asset value of the Fund falls below the NAV Barrier;
- (l) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or the investment advisor, investment manager or sub-managers which in the determination of the Calculation Agent could materially affect the value of the Fund Shares;
- (m) the currency denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (n) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Warrants, (a "**Tax Event**") and, subject as provided below, the Issuer or the Hedge Provider has, for a period of 20 Business Days following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or



expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;

- (o) in connection with any hedging activities in relation to the Warrants, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a “**Relevant Event**”) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a Fund Share holder of the Fund or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of 5 Business Days following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of 5 Business Days set out above shall be deemed satisfied on any date it is or becomes at any time that there is no means of mitigating the Relevant Event; or
- (p) in connection with the hedging activities in relation to the Warrants, if the cost to the Issuer or the Hedge Provider in relation to the Notes would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss, in each case following any action or inaction by the Fund, the investment advisor, investment manager or sub-manager relating to the Warrants.

### **3. Consequences of an Extraordinary Fund Event**

Following the occurrence of an Extraordinary Fund Event, the Calculation Agent shall take the action set out in the applicable Final Terms which may include, *inter alia*, adjusting or cancelling the Warrants or substituting the affected Fund Shares.

Upon determining any such adjustment, cancellation or substitution, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

## ANNEX 9

### ADDITIONAL TERMS AND CONDITIONS FOR MARKET ACCESS WARRANTS

*The terms and conditions applicable to Market Access Warrants shall comprise the Terms and Conditions of the Warrants set out on page 58 (the “General Conditions”) and the additional Terms and Conditions set out below (the “Market Access Warrant Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Market Access Warrant Conditions, the Market Access Warrant Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Market Access Warrant Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Interim Payment Amount/Interim Coupon Amount

If so specified in the applicable Final Terms, the following provisions shall apply to the Warrants:

- (a) The Issuer will pay an amount in cash in respect of each Warrant equal to any then unpaid Interim Payment Amount or Interim Coupon Amount in accordance with this Market Access Warrant Condition 1.
- (b) The Issuer will, or will cause the Calculation Agent to (i) provide written notice to the Agent, on or prior to 10.30 a.m. Brussels or Luxembourg time (as appropriate), on the Business Day immediately succeeding the date any Applicable Cash Dividend Amount or any Applicable Cash Coupon Amount, or any Applicable Cash Distribution Amount, as applicable, is received by a Qualified Investor entitled to receive it, of the Interim Payment Amount or the Interim Coupon Amount to be paid with respect to each Warrant in relation thereto, and (ii) pay such Interim Payment Amount or the Interim Coupon Amount to the Agent in time for payment to the Holders on the Interim Payment Date or the Interim Coupon Date, as applicable.
- (c) Payment of an Interim Payment Amount or an Interim Coupon Amount shall be made to the Holder on the applicable Interim Payment Date or Interim Coupon Date. If the Share Company or the Basket Company or the Security Issuer, as applicable, fails to deliver to a Qualified Investor entitled to receive it any Applicable Cash Dividend Amount or any Applicable Cash Coupon Amount or any Applicable Cash Distribution Amount, as applicable, before the 120th day after the earliest of any Actual Exercise Date and the Expiration Date (the “Applicable Cash Dividend Failure Date” or “Applicable Cash Coupon Failure Date” or “Applicable Cash Distribution Failure Date”), the Holders will receive no payment in respect of any such unpaid Applicable Cash Dividend Amount or Applicable Cash Coupon Amount or any Applicable Cash Distribution Amount, and the Issuer will, or will cause the Calculation Agent to, provide written notice to the Agent promptly after such Applicable Cash Dividend Failure Date or the Applicable Cash Coupon Failure Date or the Applicable Cash Distribution Failure Date.
- (d) The Calculation Agent will determine the Interim Payment Amount or the Interim Coupon Amount, if any, of the Warrants in its discretion acting in good faith and in a commercially reasonable manner.
- (e) Definitions relating to Interim Payment Amount/Interim Coupon Amount

Unless otherwise specified in the applicable Final Terms:

“Applicable Cash Coupon Amount” shall mean the net cash coupon on one Debt Security, paid to a Qualified Investor entitled to receive it in respect of any single declaration of cash interests, expressed in the Settlement Currency as determined by the Calculation Agent, the Coupon Payment Dates for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the earliest of any Actual Exercise Date and the Expiration Date in respect of Warrants held through Euroclear and/or Clearstream, Luxembourg;

**“Applicable Cash Distribution Amount”** shall mean the (i) net cash distribution or (ii) net sale proceeds of any property in respect of one Share, paid to a Qualified Investor entitled to receive it in respect of any single cash distribution or sale, expressed in the Settlement Currency as determined by the Calculation Agent, the record or effective date for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the earliest of any Actual Exercise Date and the Expiration Date in respect of Warrants held through Euroclear and/or Clearstream, Luxembourg;

**“Applicable Cash Dividend Amount”** shall mean the net cash dividend on one Share, paid to a Qualified Investor entitled to receive it in respect of any single declaration of cash dividends, expressed in the Settlement Currency as determined by the Calculation Agent, the ex-dividend date for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the earliest of any Actual Exercise Date and the Expiration Date in respect of Warrants held through Euroclear and/or Clearstream, Luxembourg;

**“Coupon Payment Dates”** means the dates falling after the Issue Date on which the Security Issuer is scheduled to pay interest on the Debt Securities, which is specified in the Final Terms;

**“Debt Securities Amount”** means, subject to adjustment in accordance with Annex 4, the number of underlying Debt Securities per Security as specified in the Final Terms;

**“Interim Coupon Amount”** shall mean an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Coupon Amount and (b) the Debt Securities Amount applicable on the relevant Coupon Payment Date (net of any and all withholding taxes based upon the maximum statutory rates (or any other rate specified in the Final Terms) applicable to a Qualified Investor in connection with the receipt of such interest);

**“Interim Coupon Date”** means the fifth Business Day following the date the relevant Applicable Cash Coupon Amount is received by a Qualified Investor entitled to receive it;

**“Interim Payment Amount”** shall mean an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Dividend Amount or any Applicable Cash Distribution Amount, as applicable, and (b) the Share Amount applicable on the relevant ex-dividend date (or in the case of GDR Warrants, the Share Amount applicable on the relevant record date in respect of the Shares (net of any and all withholding taxes based upon the maximum statutory rates (or any other rate specified in the Final Terms) applicable to a Qualified Investor in connection with the receipt of such dividends or distributions);

**“Interim Payment Date”** means the fifth Business Day following the date the relevant Applicable Cash Dividend Amount or Applicable Cash Distribution Amount, as applicable, is received by a Qualified Investor entitled to receive it; and

**“Share Amount”** shall mean, subject to adjustment in accordance with Annex 2, the number of underlying Shares per Warrant as specified in the Final Terms.

## **2. Potential Adjustment Event**

If so specified in the applicable Final Terms, Share Warrant Condition 3 shall be amended by the addition of the following at the end of the penultimate paragraph:

Any adjustment to the terms of the Warrants following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Issuer or any of their relevant affiliates or a Qualified Investor charged on subscription, acquisition or receipt (sale or disposal) of any Shares or other securities received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Calculation Agent in good faith. In respect of an event as set out in paragraph (h) of the definition of Potential Adjustment Event (as amended by GDR Warrant Condition 2), in lieu

of making any adjustment to the terms of the Warrants, the Issuer or a Qualified Investor may exercise its discretion to sell any or all of the property a holder of the Shares should receive and pass the net sale proceeds to the Holders instead in accordance with Share Warrant Condition 3.

### 3. Stock Dividends or Stock Distributions and Rights Issues

If so specified in the Final Terms, the following provisions shall apply:

- (a) In the event that a stock dividend in respect of the Shares or dividend in the form of Shares (a “**Stock Dividend**”) is declared by the Share Company or the Basket Company, as applicable, during the period from and including the Issue Date to but excluding the Expiration Date, (or in the case of GDR Warrants, in the event that there has been any stock distribution (a “**Stock Distribution**”) in respect of the Underlying Shares the record or effective date of which falls during the period from and including the Issue Date to but excluding the Expiration Date), in lieu of making an adjustment to the Warrants, the Issuer may issue an amount of further Warrants (the “**Further Warrants**”) to the holder of Warrants that would receive such Stock Dividend or Stock Distribution according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Stock Dividend (or in the case of GDR Warrants relating, on the Business Day preceding the record or effective date in relation to such Stock Distribution) (if such holder of Warrant had been the buyer in such sale) to reflect the issue of the Stock Dividend or Stock Distribution (as adjusted for any withholding tax or charges) notwithstanding that such person may not be the holder of the Warrant as of the date on which the Further Warrants are issued. Further Warrants issued pursuant to this paragraph may be issued to the holders of the Warrants free of charge or at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.
- (b) In addition, in the event that a rights issue (a “**Rights Issue**”) in respect of the Shares is declared by the Share Company or the Basket Company during the period from and including the Issue Date to but excluding the Expiration Date, in lieu of making an adjustment to the Warrants, the Issuer may issue an amount of Further Warrants to the holder of the Warrant that would receive such Rights Issue according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Rights Issue (or in the case of GDR Warrants, on the Business Day preceding the record or effective date in relation to such Rights Issue) (if such holder of Warrant had been the buyer in such sale) to reflect the Rights Issue (as adjusted for any withholding tax or charges) notwithstanding that such person may not be the holder of the Warrant as of the date on which the Further Warrants are issued. Further Warrants issued pursuant to this paragraph may be issued to the holders of the Warrants at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.
- (c) The Issuer may issue the Further Warrants, if any, to the relevant person five Business Days following the day on which a foreign investor would have received the relevant Stock Dividends or Shares upon exercise of the Rights Issue or such later date as the Calculation Agent shall determine in its sole discretion. Any determination by the Calculation Agent in respect of the persons to whom the Further Warrants should be issued shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the holders of Warrants.
- (d) If a Holder holds more than one Warrant, the number of Warrants held by such Holder may be aggregated for the purposes of determining the number of Further Warrants to be issued to such Holder pursuant to the above.
- (e) In the event that any Further Warrants are to be issued at an issue price, no Holder will be obliged to purchase such Further Warrants but if such Further Warrants are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Holder in respect of such Stock Dividend or Rights Issue, as the case may be.

- (f) Upon the declaration of a Stock Dividend or a Rights Issue by the Share Company or the Basket Company and the election by the Issuer to issue Further Warrants, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the declaration of the Stock Dividend or the Rights Issue, the election by the Issuer to issue Further Warrants and giving details thereof.

#### 4. Issuer's option following an Additional Disruption Event

If so specified in the applicable Final Terms, the following provisions shall apply:

(a) Issuer's Option following Additional Disruption Event

Upon the occurrence of any event that constitutes more than one of an Additional Disruption Event or a Market Disruption Event, the Calculation Agent shall have sole discretion to determine which one or more of such events it shall be deemed to constitute. The Calculation Agent shall act in good faith in making such determination.

If the Issuer decides to give notice to holders of Warrants of the occurrence of an Additional Disruption Event, it shall state in such notice whether the Warrants will be terminated (in whole or in part) pursuant to Market Access Warrant Condition 4(b) below or whether the Issuer's obligations under the Warrants will be suspended pursuant to Market Access Warrant Condition 4(c) below. If the Issuer elects to give notice to holders of Warrants of a suspension of its obligations under the Warrants pursuant to Market Access Warrant Condition 4(c) below, the Issuer shall nevertheless retain the right at all times to terminate the Warrants pursuant to Market Access Warrant Condition 4(b) below by giving notice to Holders in accordance with General Condition 11.

(b) Termination

Upon the Issuer's election to terminate the Warrants as aforesaid (or upon expiry of the thirty (30) day period referred to in paragraph (c) below), the Issuer will, in respect of each and every Warrant terminated (the **Terminated Warrant**) cause to be paid to the holders of Warrants an amount determined to be the fair market value of the Terminated Warrant as at termination (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including the circumstances that resulted in the occurrence of the Additional Disruption Event) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements (including but not limited to selling or otherwise realising the Shares or the Debt Securities or any options or futures contracts in relation to the Shares or the Debt Securities), all as determined by the Calculation Agent in its discretion acting in good faith and in a commercially reasonable manner. At the election of the Issuer such payment may be made in the Local Currency in the Relevant Jurisdiction, in which case the holders of Warrants will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable or unlawful for the Issuer to pay such amount in the Relevant Jurisdiction, or the relevant holders of Warrants do not establish the necessary account in the Relevant Jurisdiction, to receive payment(s) in the currency the Issuer elects, the Issuer shall not be obliged to make payment of any such amounts so affected, as applicable. Payment will be made, as the case may be, in such manner as shall be notified to the holders of Warrants in accordance with General Condition 11.

(c) Suspension

Upon the Issuer's election to suspend the Warrants, the Issuer's obligations in respect of the Warrants may be suspended up until the 10th day after such Additional Disruption Event shall cease to exist. In the event that such date shall not have arisen before the date which falls thirty days after the Expiration Date, the Warrants shall be terminated pursuant to paragraph (b) above.

(d) **Conclusive Determination**

All determinations made by the Issuer and/or Calculation Agent pursuant to this Market Access Warrant Condition 4 shall be conclusive and binding on the Holders and the Issuer. No holders of Warrants will be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of an Additional Disruption Event.

**5. Regulatory Change Event**

If so specified in the applicable Final Terms, the following provisions shall apply:

Upon the occurrence of a Regulatory Change Event, the Calculation Agent will (a) make the corresponding adjustment, if any, to any one or more of any Exercise Price and/or Share Amount and/or the Cash Settlement Amount and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the effect of such Regulatory Change Event and (b) determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11, stating the adjustment to any Exercise Price and/or Share Amount and/or the Cash Settlement Amount and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms and giving brief details of the Regulatory Change Event.

**“Regulatory Change Event”** means any event which, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, constitutes:

- (1) the adoption of, change in or change in the interpretation or administration of, any law, rule or regulation by any governmental authority, central bank or comparable agency (“governmental authority”); and/or
- (2) the compliance by the Issuer and/or any of its affiliates with any request or directive of any governmental authority (whether or not having the force of law),

and which (1) imposes, modifies, applies or eliminates any tax, reserve, special deposit, insurance assessment or any other requirement in respect of assets or deposits of the Issuer and/or any of its affiliates in respect of (i) the issue and/or exercise of the Warrants or (ii) any transaction entered into by the Issuer and/or any of its affiliates to hedge, either directly or indirectly, the obligations of the Issuer in respect of the Warrants; and/or (2) affects in any other way the cost to the Issuer and/or any of its affiliates of: (i) the issue and/or exercise of Warrants; and/or (ii) hedging, either directly or indirectly, the obligations of the Issuer in respect of the Warrants.

**6. Early Termination Event**

If so specified in the applicable Final Terms, the following provisions shall apply:

- (a) In the event that in the determination of the Calculation Agent, the Debt Securities (in whole or in part) (x) become due and repayable by reason of a default in payment, an event of default or any similar credit event of the Security Issuer, or (y) become due and repayable on a date prior to its maturity date (other than by reason of any default), or (z) become subject to conversion into underlying shares or stock (each an **“Early Termination Event”**), the Issuer will be entitled to:
  - (i) cancel the Warrants by giving notice to the Holders in accordance with General Condition 11 and pay the Early Termination Amount to each Holder in respect of each Warrant held by him on the Early Termination Date; or

- (ii) in relation to a redemption and/or conversion in part of the Debt Securities (a “**Partial Early Termination**”), require the Calculation Agent to determine whether such partial redemption and/or conversion affects the Debt Securities held by the Issuer and/or its affiliates in order to hedge the Issuer’s obligations in respect of the Warrants (the “**Aggregate Hedge Position**”) or otherwise makes it impossible, impracticable or unduly onerous for the Issuer and/or its affiliates to hedge the Issuer’s obligations in respect of the Warrants and, if so, gives notice to the Warrantholders in accordance with General Condition 11,

and:

- (i) pay the Early Termination Amount to each Warrantholder in respect of each Warrant held by him on the Early Termination Date; and/or
- (ii) reduce the Debt Securities Amount by an amount equal to the Affected Portion and/or require the Calculation Agent to determine in its sole discretion the appropriate adjustment, if any, to be made to any one or more of the Settlement Price and/or any of the other terms of these Conditions and/or the Final Terms to account for such payment and determine the effective date of that adjustment.

Payments will be made in such manner as shall be notified to the Warrantholders in accordance with General Condition 11.

(b) Definitions

For the purposes of this Market Access Warrant Condition 6:

“**Early Termination Amount**” means, in respect of each Warrant, an amount calculated by the Calculation Agent equal to the arithmetic average price per Early Termination Securities Amount (net of any costs) which the Issuer or its affiliate obtains in selling or otherwise realising the Debt Securities (the “**Sale Proceeds**”), provided however that,

- (a) if Market Access Warrant Condition 6(a)(y) applies in respect of the Warrants, the Issuer may elect to pay, in lieu of the Sale Proceeds, the amount of principal which a Qualified Investor would have received pursuant to the terms of the Debt Securities as a result of the Early Termination Event if it held the Early Termination Securities Amount (net of any costs, including those that would have been withheld in relation to payment of such cash amount to a Qualified Investor); or
- (b) if Market Access Warrant Condition 6(a)(z) applies in respect of the Warrants, the Issuer may elect to pay, in lieu of the Sale Proceeds, the arithmetic average price per Early Termination Securities Amount (net of any costs) which the Issuer or its affiliate obtains in selling or otherwise realising the underlying shares or stock after conversion (the Shares),

such resulting amount to be converted into the Settlement Currency at the Exchange Rate.

“**Early Termination Date**” means the date falling four Business Days after the date on which the Early Termination Amount is determined.

“**Early Termination Securities Amount**” means (a) in the case of Market Access Warrant Condition 6(a), the Debt Securities Amount and (b) in the case of Market Access Warrant Condition 6(a), each Warrant’s pro rata portion (the Affected Portion) of the nominal amount of Debt Securities comprising the Aggregate Hedge Position affected by the Partial Early Termination, all as determined by the Calculation Agent in its sole and absolute discretion.

## 7. Additional Condition

If so specified in the applicable Final Terms, the following provisions shall apply:

The Issuer may modify or amend these Terms and Conditions of the Warrants or the applicable Final Terms without the consent of the Holders in any manner which the Issuer may deem necessary or desirable for the purpose of obtaining listing of the Warrants on the Official List of the Luxembourg Stock Exchange and admission to trading on the regulated market (Bourse de Luxembourg) of the Luxembourg Stock Exchange as promptly as practicable provided that any such modification or amendment is not materially prejudicial to the Holders.

## 8. Early Exercise Event

If so specified in the applicable Final Terms, the following provisions shall apply:

If an Early Exercise Event (as defined in the applicable Final Terms) occurs, the Issuer shall have the right to accelerate the Exercise Date or Expiration Date, as applicable, of all or some only of the outstanding Warrants by giving notice of its election and of the number of Warrants to be early exercised (the “**Early Terminated Warrants**”) to the holders of Warrants in accordance with General Condition 11. In the event that the Issuer decides to exercise its right to accelerate the Exercise Date or Expiration Date, as applicable, of some only of the outstanding Warrants, the Issuer may, subject to the standard procedures of Euroclear and/or Clearstream, Luxembourg, arrange for the Early Terminated Warrants to be selected individually by lot to determine which interests in the Clearing System Global Warrant are to be subject to the exercise of such right.

For the avoidance of doubt, in such case, the Issuer will, in respect of each and every Warrant, cause to be paid to the holder of each such Warrant the Cash Settlement Amount specified in the Final Terms.

## 9. Warrants linked to underlying Shares that are yet to be listed

If so specified in the applicable Final Terms, the following provisions shall apply:

An Exercise Notice shall be deemed to have been delivered by the holders of the Warrants on the expiration of three months after the Expected Listing Date (as specified in the Final Terms), if the Shares do not become listed at the Scheduled Closing Time on the Exchange as specified in the Final Terms, on or before such date, all as determined by the Calculation Agent in its sole and absolute discretion and in a commercially reasonable manner. The Issuer will, in respect of each and every Warrant, cause to be paid to the holder of each such Warrant the Cash Settlement Amount specified in the applicable Final Terms. For the purposes of calculating the Cash Settlement Amount pursuant to this paragraph, the Settlement Price shall be equal to the Issue Price per Warrant (net of any Costs).

All determinations made by the Issuer and/or Calculation Agent pursuant to the foregoing paragraph shall be conclusive and binding on the Holders and the Issuer. No Holder will be entitled to any compensation from the Issuer for any loss suffered as a result of the Shares not becoming listed on the Exchange at the Scheduled Closing Time on or before the expiration of three months after the Expected Listing Date.



## FORM OF FINAL TERMS FOR CERTIFICATES

### FINAL TERMS DATED [●]

#### BNP Paribas Arbitrage Issuance B.V.

*(incorporated in The Netherlands)  
(as Issuer)*

*[insert title of Certificates]*

#### BNP Paribas

*(incorporated in France)  
(as Issuer and Guarantor)  
(Warrant and Certificate Programme)*

### 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 [●] [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Certificates 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]. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the “**Issuer**”) and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus is available for viewing at [address] [and] [website] and copies may be obtained free of charge at the specified office of the Warrant Agents and Certificate Agents.]

*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 Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated] [●]]. This document constitutes the Final Terms of the Certificates 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 [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated] [●]] and are attached hereto. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the “**Issuer**”) and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the Supplement to the Base Prospectus dated] [●]]. [The Base Prospectuses are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*[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 directions for completing the Final Terms.]*

References herein to numbered Conditions are to the terms and conditions of the relevant series of Certificates and words and expressions defined in such terms and conditions shall bear the same meaning in this Final Terms in so far as it relates to such series of Certificates, save as where otherwise expressly provided.

[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]

This Final Terms relates to the series of Certificates as set out in “Specific Provisions for each Series” below. References herein to “Certificates” shall be deemed to be references to the relevant Certificates that are the subject of this Final Terms and references to “Certificates” and “Certificate” shall be construed accordingly.

1. Issuer: [BNP PARIBAS ARBITRAGE ISSUANCE B.V.]/[BNP PARIBAS]<sup>22</sup>
2. [Guarantor: BNP PARIBAS]

#### **SPECIFIC PROVISIONS FOR EACH SERIES**

| Series Number | No. of Certificates issued | [No. of Certificates | ISIN <sup>23</sup> | Common Code | Issue Price per [Certificate] | Redemption Date | [Relevant Jurisdiction ] | [Share Amount/ Debt Security Amount] |
|---------------|----------------------------|----------------------|--------------------|-------------|-------------------------------|-----------------|--------------------------|--------------------------------------|
| [●] .....     | [●]                        | [●]                  | [●]                | [●]         | [insert currency]<br>[●]      | [●]             | [●]                      | [●]                                  |
| [●] .....     | [●]                        | [●]                  | [●]                | [●]         | [insert currency]<br>[●]      | [●]             | [●]                      | [●]                                  |

#### **GENERAL PROVISIONS**

The following terms apply to each series of Certificates:

3. Trade Date: The trade date of the Certificates is [●].
4. Issue Date [and Interest Commencement Date]: The issue date [and Interest Commencement Date] of the Certificates is [●].
5. Consolidation: The Certificates are to be consolidated and form a single series with the [insert title of relevant series of Certificates] issued on [insert issue date].
6. Type of Certificates:
  - (i) The Certificates are [Index Certificates / Share Certificates / Fund Certificates / GDR Certificates / Debt Certificates / Currency Certificates<sup>24</sup> / Commodity Certificates<sup>25</sup> / Inflation Index Certificates<sup>26</sup> / Hybrid Certificates<sup>27</sup> / Fund Certificates<sup>28</sup> / Credit Linked Certificates<sup>29</sup> (specify other type of Certificates)].
  - (ii) [The Certificates are [Reverse Convertible Certificates / Athena Certificates / Plus Certificates / Call Certificates/[Turbo] Certificates / other], such Certificates being “Specific Products”

<sup>22</sup> Only BNP Paribas may issue U.S. Certificates.

<sup>23</sup> DTC: CUSIP – include for U.S. Certificates

<sup>24</sup> Currency Certificates or Hybrid Securities containing a currency component cannot be U.S. Securities.

<sup>25</sup> Commodity Certificates or Hybrid Certificates containing a commodity component cannot be U.S. Securities.

<sup>26</sup> Inflation Index Certificates or Hybrid Certificates containing an inflation component cannot be U.S. Securities.

<sup>27</sup> Hybrid Certificates that contain a currency, commodity or inflation component cannot be U.S. Securities.

<sup>28</sup> Fund Certificates or Hybrid Certificates containing a fund component cannot be U.S. Securities.

<sup>29</sup> Credit Linked Certificates or Hybrid Certificates containing a fund component cannot be U.S. Securities.

|     |                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                                 | in relation to which Part C (Specific Product Contractual Terms) applies].                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 7.  | Form of Certificates:                                           | [Clearing System Global Certificate]/[Registered Global Certificate.] [Dematerialised bearer form ( <i>au porteur</i> ) <sup>30</sup> ] [Rule 144A Global Certificate] [Private Placement Definitive Certificate] <sup>31</sup> [Regulation S Global Certificate] <sup>31</sup>                                                                                                                                                                                                                                             |
| 8.  | Business Day Centre(s):                                         | The applicable Business Day Centre[s] for the purposes of the definition of “Business Day” in Condition 6 [is / are] [●].                                                                                                                                                                                                                                                                                                                                                                                                   |
| 9.  | Settlement:                                                     | Settlement will be by way of [cash payment (Cash Settled Certificates)] [and/or] [physical delivery (Physical Delivery Certificates)].                                                                                                                                                                                                                                                                                                                                                                                      |
| 10. | Variation of Settlement:                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|     | (i) Issuer’s option to vary settlement:                         | The Issuer [has/does not have] the option to vary settlement in respect of the Certificates. <sup>32</sup>                                                                                                                                                                                                                                                                                                                                                                                                                  |
|     | (ii) Variation of Settlement of Physical Delivery Certificates: | [Notwithstanding the fact that the Certificates are Physical Delivery Certificates, the Issuer may make payment of the Cash Settlement Amount on the Redemption Date and the provisions of Condition 7(C) will apply to the Certificates./The Issuer will procure delivery of the Entitlement in respect of the Certificates and the provisions of Condition 7(C) will not apply to the Certificates. Any Physical Delivery for U.S. Certificates must be made in compliance with the Securities Act and the Exchange Act.] |
| 11. | Relevant Asset(s):                                              | The relevant asset to which the Certificates relate [is/are] [●].<br>( <i>N.B. Only applicable in relation to Physical Delivery Certificates</i> )                                                                                                                                                                                                                                                                                                                                                                          |
| 12. | Entitlement:                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|     | (i)                                                             | [The Entitlement (as defined in Condition 6) in relation to each Certificate is [●].]                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|     | (ii)                                                            | [The Entitlement will be evidenced by [insert details of how the Entitlement will be evidenced].]                                                                                                                                                                                                                                                                                                                                                                                                                           |
|     | (iii)                                                           | [The Entitlement will be delivered [insert details of the method of delivery of the Entitlement].]<br><br>( <i>N.B. Only applicable in relation to Physical Delivery Certificates</i> )                                                                                                                                                                                                                                                                                                                                     |
| 13. | Instalment Certificates:                                        | The Certificates [are/are not] Instalment Certificates                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

<sup>30</sup> If French law-governed.

<sup>31</sup> If U.S. Certificates.

<sup>32</sup> Not applicable for U.S. Certificates, unless Physical Delivery can be in compliance with U.S. securities laws.

- (i) Instalment Amount(s): [specify]
- (ii) Instalment Date(s): [specify]
14. Partly Paid Certificates: The Certificates [are/are not] Partly Paid Certificates
- [specify details of the amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Certificates and interest due on late payment]
- [N.B. A new form of Global Certificate may be required for Partly Paid Certificates]
15. Exchange Rate: The applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Settlement Price (as defined in Condition 6) or the Cash Settlement Amount (as defined in Condition 6) is [insert rate of exchange and details of how and when such rate is to be ascertained].
16. Settlement Currency: The settlement currency for the payment of [the Cash Settlement Amount/Redemption Amount] (in the case of Cash Settled Certificates)/[the Disruption Cash Settlement Price] (in the case of Physical Delivery Certificates) is [●].
17. Agent: [BNP Paribas Securities Services, Luxembourg Branch]/[BNP Paribas Arbitrage SNC]/[The Bank of New York]/[specify other]
18. Calculation Agent: [BNP Paribas]/[BNP Paribas Arbitrage SNC]/[specify other]/[ADDRESS].
19. Governing law: [English/French] law
20. Special conditions or other modifications to the Terms and Conditions: [ ]

## PRODUCT SPECIFIC PROVISIONS

21. Index Certificates: [The provisions of Annex 1 (Additional Terms and Conditions for Index Certificates) shall apply]
- (i) Index/Index Sponsor: [specify name of index/indices]  
[specify name of index sponsor(s)]  
[The [ ] Index is a Composite Index]<sup>33</sup>
- (ii) Index Currency: [specify]
- (iii) Exchange(s): The Exchange(s) [is/are] [●].
- (iv) Related Exchange(s): [The relevant Related Exchange(s) [is/are] [●] / [All Exchanges]

<sup>33</sup> Specify each Composite Index (if any).

- (v) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis]
- (vi) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis]  
(must match election made for Exchange Business Day)
- (vii) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 1/[specify other]. (N.B. Only applicable in relation to Certificates relating to a Basket)]
- (viii) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from Annex 1].
- (ix) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 6), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [insert calculation method].
- (x) Relevant Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 6.] [The relevant time is [●].] (N.B. If no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 6).
- (xi) Knock-in Event: [Not Applicable/specify/[“greater than”/”greater than or equal to”/”less than”/”less than or equal to”]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Knock-in Level: [specify]
- (b) Knock-in Period Beginning Date: [specify]
- (c) Knock-in Determination Period: [specify]
- (d) Knock-in Determination Day(s): [specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (e) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
- (f) Knock-in Period Ending Date: [specify]
- (g) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable / Applicable]

- (h) Knock-in Valuation Time: [specify/See definition in Annex 1] [Relevant Time]
- (xii) Knock-out Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Knock-out Level: [specify]
- (b) Knock-out Period Beginning Date: [specify]
- (c) Knock-out Determination Period: [specify]
- (d) Knock-out Determination Day(s): [specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (e) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (f) Knock-out Period Ending Date: [specify]
- (g) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
- (h) Knock-out Valuation Time [specify/See definition in Annex 1] [Relevant Time]
- (xiii) Delayed Redemption on Occurrence of Adjustments Event: [Applicable/Not Applicable]
- (xiv) Automatic Early Redemption Event: [Not Applicable/specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Automatic Early Redemption Amount: [specify/See definition in Annex 1]
- (b) Automatic Early Redemption Date(s): [specify]
- (c) Business Day Convention: [specify]
- (d) Automatic Early Redemption Level: [specify]
- (e) Automatic Early Redemption Rate: [specify]
- (f) Automatic Early Redemption [specify]

Valuation Date(s):

22. Share Certificates: [The provisions of Annex 2 (*Additional Terms and Conditions for Share Certificates*) shall apply]
- (i) Share(s)/Share Company/Basket Company: [Insert type of Share(s) and Share Company / Basket Companies]
- (ii) Exchange(s): The Exchange[s] [is/are] [●].
- (iii) Related Exchange(s): [The Related Exchange(s) [is/are] [●] / [All Exchanges]
- (iv) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis]
- (v) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis] (*must match election made for Exchange Business Day*)
- (vi) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex 2/[specify other]. (*N.B. Only applicable in relation to Certificates relating to a Basket*)]
- (vii) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from Annex 2*]. [*N.B. If Settlement Price includes formula incorporating initial closing price, use term “Initial Price” for relevant definition.*]
- (viii) Disrupted Day: If the Valuation Date, an Observation Date or an Averaging Date (each as defined in Condition 6), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [*insert calculation method*].
- (ix) Relevant Time: [Continuous monitoring [*specify other*] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 6.] [The relevant time is [●]. (*N.B. If no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 6.*)]
- (x) Knock-in Event: [Not Applicable / *specify* / [“greater than”/“greater than or equal to”/“less than”/“less than or equal to”]]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Knock-in Price: [*specify*]
- (b) Knock-in Period Beginning Date: [*specify*]
- (c) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable / Applicable]

- (d) Knock-in Determination Period: *[specify]*
- (e) Knock-in Determination Day(s): *[specify/Each Scheduled Trading Day in the Knock-in Determination Period]*
- (f) Knock-in Period Ending Date: *[specify]*
- (g) Knock-in Period Ending Date Scheduled Trading Day Convention: *[Not Applicable / Applicable]*
- (h) Knock-in Valuation Time: *[specify/See definition in Annex 2] [Relevant Time]*
- (xi) Knock-out Event: *[Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Knock-out Price: *[specify]*
- (b) Knock-out Determination Period: *[specify]*
- (c) Knock-out Determination Day(s): *[specify/Each Scheduled Trading Day in the Knock-out Determination Period]*
- (d) Knock-out Period Beginning Date: *[specify]*
- (e) Knock-out Period Beginning Date Scheduled Trading Day Convention: *[Not Applicable / Applicable]*
- (f) Knock-out Period Ending Date: *[specify]*
- (g) Knock-out Period Ending Date Scheduled Trading Day Convention: *[Not Applicable / Applicable]*
- (h) Knock-out Valuation Time: *[specify/See definition in Annex 2] [Relevant Time]*
- (xii) Automatic Early Redemption Event: *[Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Automatic Early Redemption Amount: *[specify/See definition in Annex 2]*
- (b) Automatic Early Redemption Date(s): *[specify]*



- (c) Business Day Convention: [specify]
- (d) Automatic Early Redemption Price: [specify]
- (e) Automatic Early Redemption Rate: [specify]
- (f) Automatic Early Redemption Valuation Date(s): [specify]
- (xiii) Redemption on Occurrence of Extraordinary Event: [As per Conditions/Not Applicable]
- (xiv) Delayed Redemption on Occurrence of Extraordinary Event: [Not Applicable/Applicable]
23. GDR Certificates: [The provisions of Annex 3 (*Additional Terms and Conditions for GDR Certificates*) shall apply]<sup>34</sup>
24. Debt Certificates: [The provisions of Annex 4 (*Additional Terms and Conditions for Debt Certificates*) shall apply]
- (i) Nominal Amount: The nominal amount which is to be used to determine the Cash Settlement Amount is [●] and the relevant screen page (Relevant Screen Page) is [●].
- (ii) Redemption of underlying Debt Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Certificates, [insert appropriate fallback provisions].
- (iii) Exchange Business Day: “Exchange Business Day” means [●].
- (iv) Relevant Time: [The relevant time is [●]].
25. Commodity Certificates: [The provisions of Annex 5 (*Additional Terms and Conditions for Commodity Certificates*) shall apply]
- (i) Commodity/ Commodities: [specify Commodity/Commodities]
- (ii) Pricing Date(s): [specify]
- (iii) Commodity Reference Price: [specify]
- (iv) Additional Disruption Fallback(s): [specify]/[Not Applicable]
- (v) Relevant Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Condition 6.] [The relevant time is [●].]
- (vi) Knock-in-Event: [Not Applicable / specify / [“greater than”/“greater than or equal

<sup>34</sup>

For GDR Certificates complete sections for Share Certificates (paragraph 22) (completed and amended as appropriate) and GDR Certificates (paragraph 23).

to”/”less than”/”less than or equal to”]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Knock-in Level: [specify]
  - (b) Knock-in Period Beginning Date: [specify]
  - (c) Knock-in Determination Period: [specify]
  - (d) Knock-in Determination Day(s): [specify]
  - (e) Knock-in Period Beginning Date Commodity Business Day Convention: [Not Applicable / Applicable]
  - (f) Knock-in Period Ending Date: [specify]
  - (g) Knock-in Period Ending Date Commodity Business Day Convention: [Not Applicable / Applicable]
  - (h) Knock-in Valuation Time: [specify/See definition in Annex 5] [Relevant Time]
- (vii) Knock-out Event: [Not Applicable / specify / [“greater than”/”greater than or equal to”/”less than”/”less than or equal to”]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Knock-out Level: [specify]
- (b) Knock-out Period Beginning Date: [specify]
- (c) Knock-out Determination Period: [specify]
- (d) Knock-out Determination Day(s): [specify]
- (e) Knock-out Period Beginning Date Commodity Business Day Convention: [Not Applicable / Applicable]
- (f) Knock-out Period Ending Date: [specify]
- (g) Knock-out Period Ending Date Commodity Business Day Convention: [Not Applicable / Applicable]

- (h) Knock-out Valuation Time [specify / See definition in Annex 5] [Relevant Time]
- (viii) Automatic Early Redemption Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Automatic Early Redemption Amount: [specify/See definition in Annex 5]
- (b) Automatic Early Redemption Date(s): [specify]
- (c) Business Day Convention [specify]
- (d) Automatic Early Redemption [specify]
- (e) Automatic Early Redemption Rate: [specify]
- (f) Automatic Early Redemption Valuation Date(s): [specify]
- (ix) Delayed Redemption on occurrence of Market Disruption Event: [Applicable / Not Applicable]
- 26.** Inflation Index Certificates: [The provisions of Annex 6 (*Additional Terms and Conditions for Inflation Index Certificates*) shall apply]
- (i) Inflation Index / Sponsor: [specify name of inflation index / indices]  
[specify name of inflation index sponsor(s)]
- (ii) Related Bond: [Applicable/Not Applicable]
- (iii) Issuer of Related Bond: [Applicable/Not Applicable] [If applicable, specify]
- (iv) Fallback Bond: [Applicable/Not Applicable]
- (v) Related Bond Redemption Event: [Applicable/Not Applicable] [If applicable, specify]
- (vi) Substitute Inflation Index Level: [As determined in accordance with Annex 6 [●]]
- (vii) Cut-off Date: In respect of a [Valuation Date], the day that is [●] Business Days prior to such [Valuation Date]
- (viii) [Valuation Date]: [specify]
- 27.** Currency Certificates: [The provisions of Annex 7 (*Additional Terms and Conditions for Currency Certificates*) shall apply]
- (i) Relevant Screen Page: [specify]

- (ii) The relevant base currency (the *[specify]*  
**“Base Currency”**) is:
- (iii) The relevant subject *[specify]*  
[currency/currencies] (each a  
**“Subject Currency”**) [is/are]:
- (iv) Relevant Time: [The relevant time is [●]].
- (v) Knock-in-Event: [Not Applicable / *specify* / [“greater than”/“greater than or equal to”/“less than”/“less than or equal to”]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Knock-in Level: *[specify]*
- (b) Knock-in Period Beginning Date: *[specify]*
- (c) Knock-in Determination Period: *[specify]*
- (d) Knock-in Determination Day(s): *[specify]*
- (e) Knock-in Period Ending Date: *[specify]*
- (f) Knock-in Valuation Time: *[specify / See definition in Annex 7] [Relevant Time]*
- (vi) Knock-out Event: [Not Applicable/*specify* / [“greater than”/“greater than or equal to”/“less than”/“less than or equal to”]]
- (if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Knock-out Level: *[specify]*
- (b) Knock-out Period Beginning Date: *[specify]*
- (c) Knock-out Determination Period: *[specify]*
- (d) Knock-out Determination Day(s): *[specify]*
- (e) Knock-out Period Ending Date: *[specify]*
- (f) Knock-out Valuation Time: *[specify/See definition in Annex 7] [Relevant Time]*

28. Fund Certificates: [The provisions of Annex 8 (*Additional Terms and Conditions for Fund Certificates*) shall apply]

- (i) Fund: [specify]
  - (ii) Fund Share(s): [specify]
  - (iii) Fund Documents: [specify]
  - (iv) Additional Extraordinary Fund Event(s): [specify]
  - (v) NAV Barrier: [specify]
  - (vi) Number of NAV Publications Days: [specify]
  - (vii) Settlement Price: [specify]
  - (viii) Consequences of Extraordinary Fund Event: [specify]
  - (ix) Relevant Time: [The relevant time is [●].]
  - (x) Additional Provisions: [specify]
- 29. Market Access Certificates:** [The provisions of Annex [1/2/4]<sup>35</sup> (Additional Terms and Conditions for [Index/Share/Debt Security] Certificates) and Annex 9 (*Additional Terms and Conditions for Market Access Certificates*) shall apply]
- (i) [Share Amount / Debt Securities Amount]: [specify]
  - (ii) Market Access Certificate Condition 1 of Annex 9 (*Interim Payment Amount/Interim Coupon Amount*): [Applicable / Not Applicable]
  - (iii) The Coupon Payment Dates are [●]
  - (iv) Market Access Certificate Condition 2 (*Potential Adjustment Event*): [Applicable / Not Applicable]
  - (v) Market Access Certificate Condition 3 (*Stock Dividends or Stock Distributions and Rights Issues*): [Applicable / Not Applicable]
  - (vi) Market Access Certificate Condition 4 (*Issuer's option following an Additional Disruption Event*): [Applicable/Not Applicable]
  - (vii) Market Access Certificate Condition 5 (*Regulatory Change Event*): [Applicable / Not Applicable]
  - (viii) Market Access Certificate Condition 6 (*Early Termination Event*): [Applicable / Not Applicable]

<sup>35</sup>

For Market Access Certificates include relevant Annex and complete relevant section for Index / Share / Debt Security Certificates and include Annex 9 and complete paragraph 30 as appropriate.

(ix) Market Access Certificate Condition 7 (*Additional Condition*): [Applicable / Not Applicable]

(x) Market Access Certificate Condition 8 (*Early Redemption of Certificates linked to underlying Shares that are yet to be listed*): [Applicable / Not Applicable]

(a) Expected Listing Date is [●]

(b) The amount payable in respect of each Certificate so redeemed shall be [*specify amount or manner of determination*].

30. Credit Linked Certificates: [*specify terms for Credit Linked Certificates*]

31. Additional Disruption Events: (a) The following Additional Disruption Events apply to the Certificates:

*(Specify each of the following which applies. N.B. Additional Disruption Events are applicable to certain Index Certificates or Share Certificates. Careful consideration should be given to whether Additional Disruption Events would apply for Debt Certificates, Currency Certificates, Commodity Certificates, Index Certificates relating to Commodity Indices and Fund Certificates, and if so the relevant definitions will require amendment. Careful consideration should be given to any Additional Disruption Events in the case of U.S. Certificates.)*

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

(N.B. Only applicable in the case of Share Certificates)]

[Loss of Stock Borrow]

[Analogous Event]

[Currency Event]

[Force Majeure Event]

[Jurisdiction Event]

[Failure to Deliver due to Illiquidity]

*(N.B. Only applicable in the case of Physical Delivery Certificates that are not U.S. Certificates - Failure to Deliver due to Illiquidity is applicable to certain Share Certificates. Careful consideration should be given to whether Failure to*

*Deliver due to Illiquidity would apply to other Physical Delivery Certificates)*

(b) [The Maximum Stock Loan Rate in respect of *[specify in relation to each relevant Share/Security]* is [●].

*(N.B. only applicable if Loss of Stock Borrow is applicable)*

[The Initial Stock Loan rate in respect of *[specify in relation to each relevant Share/Security]* is [●].

*(N.B. only applicable if Increased Cost of Stock Borrow is applicable)*

(c) [Condition 16(B) (*Additional Definitions*) applicable.]

(d) Delayed Redemption on Occurrence of Additional Disruption Event: [Applicable/Not Applicable]

## PROVISIONS RELATING TO INTEREST

### 32. Fixed Rate Provisions:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Interest Rate[(s)]  
([including/excluding] on overdue amounts after Redemption Date or date set for early redemption):

*[specify]* percent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

(ii) Interest Payment Date(s):

*[specify]* in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*]/not adjusted]

(iii) Fixed Coupon Amount[(s)]:

*[specify]*

(iv) Day Count Fraction:

*[specify]* [30/360 / Actual/Actual (-ICMA /-ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / other (see Condition 7 for alternatives)]

(v) Determination Dates:

*[specify]* in each year (insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))

(vi) Other terms relating to the method of calculating interest for Fixed Rate Certificates:

[Not Applicable/give details]

### 33. Floating Rate Provisions

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Interest Period(s): *[specify]*
- (ii) Interest Payment Date(s): *[specify]*
- (iii) Business Day Convention (Condition 5.3): *[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]*
- (iv) Manner in which the Interest Rate(s) is/are to be determined (including on overdue amounts after Redemption Date or date set for early redemption): *[Screen Rate Determination/ISDA Determination/other (give details)]*
- (v) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the Calculation Agent): *[specify]*
- (vi) Screen Rate Determination:
  - (a) Relevant Time: *[specify]*
  - (b) Interest Determination Date: *[[●] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]*
  - (c) Primary Source for Floating Rate: *[specify relevant screen page or "Reference Banks"]*
  - (d) Relevant Financial Centre: *[The financial centre most closely connected to the Benchmark]*
  - (e) Benchmark: *[EURIBOR, LIBOR, LIBID, LIMEAN, or other benchmark]*
  - (f) Specified Duration: *[specify period for quotation if not duration of Interest Accrual Period]*
- (vii) ISDA Determination (Condition 5(D)(x)):
  - (a) Floating Rate Option: *[specify]*
  - (b) Designated Maturity: *[specify]*
  - (c) Reset Date: *[specify]*
  - (d) ISDA Definitions: *[specify definitions if different from those set out in the Conditions]*
- (viii) Margin(s): *[+/-][specify] per cent per annum*
- (ix) Minimum Interest Rate: *[specify] per cent per annum*



(x) Day Count Fraction: [Actual/365  
Actual/365 (Fixed)  
Actual/360  
30/360  
30E/360  
other] (see Condition 5.4(f) for alternatives)

(xi) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Certificates, if different from those set out in the Conditions: [specify]

34. Formula Linked Interest: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Formula: [specify]

(ii) Party responsible for calculating interest: [Calculation Agent/other]

(iii) Provisions for determining Interest Rate and Interest Amount where calculation by reference to formula is impossible or impracticable: [specify]

(iv) Interest Period(s): [specify]

(v) Interest Payment Date(s): [specify]

(vi) Business Day Convention: [specify]

(vii) Day Count Fraction: [specify]

## ISSUER CALL OPTION IN RESPECT OF CERTIFICATES

35. Issuer Call Option: [Applicable/Not Applicable]  
*(N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

(i) Optional Redemption Date(s): [specify]

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [specify]

- (iii) Notice period (if different from *[specify]*  
those set out in the Conditions):

#### **HOLDER PUT OPTION IN RESPECT OF CERTIFICATES**

36. Holder Put Option: *[Applicable/Not Applicable]*  
*(N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Optional Redemption Date(s): *[specify]*
- (ii) Optional Redemption Amount(s) *[specify]*  
and method, if any, of calculation of  
such amount(s):
- (iii) Notice period (if different from *[specify]*  
those set out in the Conditions):

#### **PROVISIONS RELATING TO VALUATION AND REDEMPTION**

37. Cash Settlement Amount: *[Insert details of Cash Settlement Amount/Redemption Amount and how it is to be calculated for Cash Settled Certificates]*
38. Valuation Date: *[Specify]*
39. Averaging: Averaging *[applies / does not apply]* to the Certificates. *[The Averaging Dates are [●].] (Not applicable to Inflation Index Certificates)*
- [In the event that an Averaging Date is a Disrupted Day [Omission / Postponement / Modified Postponement] (as defined in Condition 4) will apply.] (N.B. Not applicable for Commodity Certificates)*
- [In the event of Modified Postponement applying, the Averaging Date will be determined [specify relevant provisions] (N.B. Only applicable in relation to Debt Certificates, Currency Certificates or Fund Certificates).]*
40. Observation Dates: *[The Observation Dates are [●].] (Not applicable to Inflation Index Certificates)*
- [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Condition 4) will apply.] (N.B. Not applicable to Commodity Certificates)*
- [In the event of Modified Postponement applying, the Observation Date will be determined] [specify relevant provisions] (N.B. Only applicable in relation to Debt Certificates, Currency Certificates or Fund Certificates).]*
41. Observation Period: *[The Observation Period is [●].] (Not applicable to Inflation*

*Index Certificates)*

42. Specified Maximum Days of Disruption: [[●] [Scheduled Trading Days] [Commodity Business Days]
43. Settlement Business Day: Settlement Business Day for the purposes of Condition 7 means [●]. *(N.B. Only applicable in the case of Physical Delivery Certificates)*
44. Notional Amount of each Certificate: [Currency][Amount]

**DISTRIBUTION AND US SALES ELIGIBILITY**

45. Selling Restrictions: *[Insert any additional selling restrictions]*
- (i) Eligibility for sale of Certificates in the United States to AIs *(N.B. Only Certificates issued by BNPP can be so eligible)*: The Certificates are [not] eligible for sale in the United States to AIs.
- [Where Certificates are eligible for sale in the United States to AIs, include the following:
- (a) The Certificates will be in the form of private placement definitive certificates;
  - (b) The Certificates may [not] be issued concurrently outside the United States to non-U.S. Persons [(such Certificates to be represented by a Regulation S Global Certificate)];
  - (c) The Certificates may [not] be transferred to QIBs (N.B. Certificates may only be transferred to QIBs if eligible for sale to QIBs as provided in paragraph (ii) below);
  - (d) The Certificates may [not] be transferred to non-U.S. Persons;
  - (e) The Certificates may [not] be transferred to AIs;
  - (f) [insert applicable U.S. selling restrictions and specify details of any transfer restrictions and any necessary Certifications, if different from those set out in the conditions *(N.B. Such restrictions may be necessary, inter alia, in relation to Commodity Certificates)*]; and
  - (g) *[specify any amendments to the form of exercise notice (the form of which is set out in a schedule to the Agency Agreement)].*
- (ii) Eligibility for sale of Certificates in the United States to QIBs within the meaning of rule 144a *(N.B. Only U.S. Certificates issued by BNPP can be so eligible)*: The Certificates are [not] eligible for sale in the United States under Rule 144A to QIBs.

[Where Certificates are eligible for sale in the United States under Rule 144A to QIBs, include the following:

- (a) The Rule 144A Global Certificate will be deposited with [a custodian for DTC]/[a common depositary on behalf of Clearstream, Luxembourg/Euroclear/Iberclear/other clearing system];
- (b) The Certificates may [not] be issued concurrently outside the United States to non-U.S. Persons [(such securities to be represented by a Regulation S Global Certificate)];
- (c) The Certificates may [not] be transferred to QIBs;
- (d) The Certificates may [not] be transferred to non-U.S. persons;
- (e) The Certificates may [not] be transferred to AIs (*N.B. Certificates may only be transferred to AIs if eligible for sale to AIs as provided for in paragraph (a) above*);
- (f) [insert applicable U.S. selling restrictions and specify details of any transfer restrictions and any necessary Certifications, if different from those set out in the Conditions (*N.B. Such restrictions may be necessary, inter alia, in relation to Commodity Certificates*)]; and
- (g) [*specify any amendments to the form of exercise notice (the form of which is set out in a schedule to the Agency Agreement)*].]

46. Additional U.S. Federal income tax [insert details] consequences:

47. Registered broker/dealer: [BNP Paribas Securities Corp./[specify other]<sup>36</sup>/[not applicable]]

48. Syndication: The Certificates will be distributed on a [non-]syndicated basis. (*If syndicated, specify names of the Managers*)

49. Additional or Alternative Clearing System: [Insert details of any clearing system other than DTC, Clearstream, Luxembourg, Euroclear, Euroclear France and Iberclear including appropriate clearing code/number]

### [Listing Application]

These Final Terms comprise the final terms required to list [and have admitted to trading] the issue of Certificates described.]

### Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. The information included in [the Annex] (the [●] Information) consists of extracts from or summaries of information that is publicly available in respect of [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is

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<sup>36</sup> If U.S. Warrants.

able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas]

As Issuer:

By: .....Duly authorised

## PART B – OTHER INFORMATION

### 1. Listing and Admission to trading:

[The Certificates are unlisted]/[Application has been made to list the Certificates on the Luxembourg Stock Exchange and to admit the Certificates for trading described herein on the “*Bourse de Luxembourg*” (the “**Regulated Market**”) of the Luxembourg Stock Exchange/Luxembourg Stock Exchange’s EuroMTF Market]/[specify other exchange].

### 2. [Ratings]

Ratings:

The Certificates 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, for example:*

“As defined by Moody’s an [Aa1] rating means that the obligations of the Issuer and the Guarantor under the Programme are of high quality and are subject to very low credit risk and, as defined by Standard & Poors, an [AA+] rating means that the relevant Issuer and Guarantor’s capacity to meet its financial commitment under the Certificates is very strong.”]

(The above disclosure should reflect the rating allocated to Certificates of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]

### 3. [Risk Factors]

*[Include any product specific risk factors which are not covered under “Risk Factors” in the Base Prospectus or in relation to U.S. Certificates. If any such additional risk factors need to be included consideration should be given as to whether they constitute “significant new factors” and consequently trigger the need for either (i) a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors’ right to withdraw their acceptances within a 48 hour time period or (ii) a Prospectus.]]*

### 4. [Notification]

*The Commission de Surveillance du Secteur Financier, which is the Luxembourg competent authority for the purpose of the Prospectus Directive, [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]*

The Issuer [and the Guarantor] has [have] authorised the use of these Final Terms and the Base Prospectus dated 30 May 2007 by [the Managers] and [*include names [and addresses] of other financial intermediaries involved in the offer*] (the **Distributors**[ and, together with the Managers, the **Financial Intermediaries**] in connection with offers of the Certificates to the public in [*insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported*] for the period set out in paragraph [●] below.]

## 5. [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 discussed[ in “*Risk Factors*” in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.”]

## 6. [Reasons for the Offer, Estimated Net Proceeds and Total Expenses<sup>37</sup>

|                           |                                                                                                                                                                                                                |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reasons for the offer     | [●]<br>(See “ <i>Use of Proceeds</i> ” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)                   |
| Estimated net proceeds:   | [●]<br>(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.) |
| Estimated total expenses: | [●] [ <i>Include breakdown of expenses</i> ]                                                                                                                                                                   |

## 7. Performance of Underlying/Formula/Other Variable, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

[*Need to include details of where past and future performance and volatility of the index/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.*]<sup>38</sup>

## 8. [Terms and Conditions of the Public Offer]

|                                                                                                                                                                        |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Conditions to which the offer is subject:                                                                                                                              | [●] |
| Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: | [●] |
| The time period, including any possible amendments, during which the offer will be open and description of the application process:                                    | [●] |

<sup>37</sup> Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.  
<sup>38</sup> Additional consideration should be given to disclosure in the case of U.S. Certificates.

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [●]

Details of the minimum and/or maximum amount of application:<sup>39</sup> [●]

Method and time limits for paying up the Certificates and for delivery of the Certificates: [●]

Manner and date in which results of the offer are to be made public: [●]

Categories of potential investors to which the Certificates are offered: [●]

*[For example:*

*“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.*

*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 €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts.”]*

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [●]

## 9. [Placing and Underwriting]<sup>40</sup>

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: [●]

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): [●]

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements: [●]

When the underwriting agreement has been or will be reached: [●]

<sup>39</sup>

Whether in number of warrants or aggregate amount to invest.

<sup>40</sup>

To the extent known to the Issuer, of the placers in the various countries where the offer takes place.



## 10. Yield

*[An indication of yield. Describe the method whereby that yield is calculated in summary form.]*

**[PART C - SPECIFIC PRODUCT CONTRACTUAL TERMS]**

*(This Part C to be used for all additional definitions/provisions for Specific Products)*

1. Cash Settlement/Physical Settlement
2. [Other or Alternative Definitions/Provisions]

[●]

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following is the text of the Terms and Conditions of the Certificates which will include the additional terms and conditions contained in Annex 1 in the case of Index Certificates, the additional terms and conditions contained in Annex 2 in the case of Share Certificates, the additional terms and conditions contained in Annex 3 in the case of GDR Certificates, the additional terms and conditions contained in Annex 4 in the case of Debt Certificates, the additional terms and conditions contained in Annex 5 in the case of Commodity Certificates, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Certificates, the additional terms and conditions contained in Annex 7 in the case of Currency Certificates, the additional terms and conditions contained in Annex 8 in the case of Fund Certificates, the additional terms and conditions contained in Annex 9 in the case of Market Access Certificates or any other Annex (each, an “Annex” and, together the “Annexes”) which may be added from time to time in the case of any other certificate linked to any other underlying reference (the “Terms and Conditions” or the “Conditions”) which, in the case of English Law Certificates (as defined in Condition 4), will be incorporated by reference into each Global Certificate or Private Placement Definitive Certificate (each as defined below). The applicable Final Terms in relation to any issue of Certificates may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Certificates. In the case of English Law Certificates, the applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Certificate of Private Placement Definitive Certificate.*

The series of Certificates described in the applicable Final Terms (in so far as it relates to such series of Certificates) (such Certificates being hereinafter referred to as the “**Certificates**”) are issued by whichever of BNP Paribas Arbitrage Issuance B.V. (“**BNPP B.V.**”) or BNP Paribas (“**BNPP**”) is specified as the Issuer in the applicable Final Terms (as defined below) (the “**Issuer**”) and references to the Issuer shall be construed accordingly. Rule 144A Certificates and Private Placement Definitive Certificates (each, as defined below) may be issued by BNPP only. The Certificates are issued pursuant to an Agency Agreement dated 30 May 2007 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) between BNPP B.V. as issuer, BNPP as issuer and, where the Issuer is BNPP B.V., as guarantor (in such capacity, the “**Guarantor**”), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as Agent in respect of the Certificates, the “**Principal Certificate Agent**”, BNP Paribas Arbitrage SNC as agent (if specified in the applicable Final Terms as Agent in respect of the Certificates, the “**Principal Certificate Agent**”), The Bank of New York as New York certificate agent (the “**New York Certificate Agent**”), The Bank of New York as definitive certificate agent (the “**Definitive Certificate Agent**”) (each, a “**Certificate Agent**” and collectively, the “**Certificate Agents**”) and BNP PARIBAS Securities (Japan) Limited as registrar. The expression “Certificate Agent” shall include any additional or successor certificate agent in respect of the Certificates. BNP Paribas or BNP Paribas Arbitrage SNC (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the “**Calculation Agent**”) in respect of the Certificates as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Certificates, include such other specified calculation agent. The Agency Agreement will be governed by English Law in the case of English Law Certificates (the “**English Law Agency Agreement**”) and by French Law in the case of French Law Certificates (as defined in Condition 4 below) (the “**French Law Agency Agreement**”).

English Law Certificates (as defined in Condition 4 below) are constituted by an English Law clearing system global certificate (each, a “**Global Certificate**”), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued.

In the event that the applicable Final Terms specify that Certificates are eligible for sale in the United States (such eligibility to be pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the “**Securities Act**”), (A) the Certificates sold in the United States to qualified institutional buyers (“**QIBs**”) within the meaning of Rule 144A (“**Rule 144A**”) under the Securities Act (“**Rule 144A Certificates**”) will be represented by

one or more Rule 144A global certificates (each, a “**Rule 144A Global Certificate**”), (B) the Certificates sold in the United States to certain accredited investors (“**AIs**”) (as defined in Rule 501(a) under the Securities Act) will be constituted by private placement definitive certificates (the “**Private Placement Definitive Certificates**”), and (C) in either such case, the Certificates sold outside the United States to non-U.S. persons under the exemption contained in Regulation S (“**Regulation S**”) under the Securities Act will be represented by one or more Regulation S global certificates (each, a “**Regulation S Global Certificate**”). References herein to a Global Certificate include, as the context so requires, a Rule 144A Global Certificate and a Regulation S Global Certificate. In the event that the Final Terms does not specify that Certificates are eligible for sale in the United States or to U.S. persons, the Certificates offered and sold outside the United States to non-U.S. persons under the exemption contained in Regulation S will be represented by a Global Certificate.

In the event that the Certificates are constituted by a Global Certificate, the Global Certificate will be issued and deposited with a common depositary (the “**Common Depositary**”) on behalf of Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or any other relevant Clearing System (as defined below).

Certificates represented by a Rule 144A Global Certificate will be either (i) deposited with a custodian (a “**Custodian**”) for, and registered in the name of a nominee of, The Depository Trust Company (“**DTC**”), or (ii) issued and deposited with the Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System. Certificates represented by a Regulation S Global Certificate will be issued and deposited with the Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificate only as described herein. Interests in a Global Certificate may be exchanged for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Global Certificate only as described herein.

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depositary for that Global Certificate, or if at any time DTC ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by BNPP within 90 days of such notice, BNPP will deliver Certificates in definitive registered form (bearing such legends as may be required by BNPP) in exchange for that Rule 144A Global Certificate. Except in these circumstances, owners of beneficial interests in a Rule 144A Global Certificate held by a Custodian on behalf of DTC will not be entitled to have any portion of such Certificates registered in their name and will not receive or be entitled to receive physical delivery of registered Certificates in definitive form in exchange for their interests in that Rule 144A Global Certificate. Transfer, exercise, settlement and other mechanics related to any Certificates issued in definitive form in exchange for Certificates represented by such Rule 144A Global Certificate shall be as agreed between BNPP and the New York Certificate Agent.

French Law Certificates (as defined in Condition 4 below) are issued in dematerialised form (*au porteur*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of French Law Certificates.

The applicable Final Terms for the Certificates is attached to each Global Certificate and each Private Placement Definitive Certificate and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Certificates.

References herein to the “applicable Final Terms” are to the Final Terms or two or more sets of Final Terms (in the case of any further certificates issued pursuant to Condition 13 and forming a single series with the Certificates) (which, for

the avoidance of doubt, may be issued in respect of more than one series of Certificates) insofar as they relate to the Certificates.

Subject as provided in Condition 3 and in the Guarantees (as defined below), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee (as defined in Condition 4). The original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement and the Guarantees will be available for inspection at the specified office of BNP Paribas Securities Services, Luxembourg Branch, and copies of the applicable Final Terms may be obtained from the specified office of the relevant Certificate Agent, save that if the Certificates are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Certificate Agent as to identity.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Holders (as defined in Condition 1(B)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the Certificates) and the applicable Final Terms, which are binding on them.

## 1. Type, Title and Transfer

### (A) Type

The Certificates relate to a specified Index or basket of Indices (“**Index Certificates**”), a specified Share or basket of Shares (“**Share Certificates**”), a specified depositary receipt (a “**GDR**”) referencing a share (an “**Underlying Share**”) or basket of such GDRs (“**GDR Certificates**”), a specified debt instrument (“**Debt Security**”) or basket of Debt Securities (“**Debt Certificates**”), a specified currency (“**Currency**”) or basket of Currencies (“**Currency Certificates**”), a specified commodity (“**Commodity**”) or basket of Commodities (“**Commodity Certificates**”), a specified inflation Index or basket of inflation indices (“**Inflation Index Certificates**”), a specified fund share or unit or basket of fund shares or units (“**Fund Certificates**”), the credit of a specified reference entity or reference entities (“**Credit Linked Certificates**”) or any other or further type of Certificates as is specified in the applicable Final Terms including Certificates which relate to any combination of such indices, shares, debt securities, currencies, fund shares or units, commodities and other asset classes or types (“**Hybrid Certificates**”). Certificates related to a specified currency or basket of currencies, a specified commodity or basket of commodities a specified interest rate or basket of interest rates or a specified inflation index or basket of inflation indices, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, or Hybrid Warrants related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are U.S. persons as defined in Regulation S under the Securities Act or that are not non-United States Persons as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended.

The applicable Final Terms will indicate whether settlement shall be by way of cash payment (“**Cash Settled Certificates**”) or physical delivery (“**Physical Delivery Certificates**”), whether Cash Settled Certificates are redeemable in instalments and whether Averaging (“**Averaging**”) will apply to the Certificates. If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or

Modified Postponement (each as defined in Condition 4 below) applies. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Certificates shall be deemed to include references to (a) Physical Delivery Certificates which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Certificate pursuant to Condition 7(C)(i) and where settlement is to be by way of cash payment, and (b) Physical Delivery Certificates where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 7(C)(ii). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Certificates shall be deemed to include references to Cash Settled Certificates which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Certificate pursuant to Condition 7(C)(i) and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, BNPP does not have the option to vary settlement in respect of the U.S. Certificates pursuant to Condition 7(C)(i).

Certificates may, if specified in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Certificates where the Holder has elected for cash payment will be Cash Settled Certificates and those Certificates where the Holder has elected for physical delivery will be Physical Delivery Certificates. The rights of a Holder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms and will be subject to the Issuer's right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with these Conditions.

(B) Title to Certificates

In the case of Certificates represented by a Global Certificate held by a Common Depository on behalf of a relevant Clearing System and French Law Certificates, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Certificates) or whose name appears in the account of the relevant Account Holder (in the case of French Law Certificates) as the holder of a particular amount of Certificates (in which regard any certificate or other document issued by the relevant Clearing System or, as the case may be, Account Holder as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by law) be treated by the Issuer, the Guarantor, if any, and the relevant Certificate Agent as the Holder of such amount of Certificates for all purposes (and the expressions "**Holder**" and "**Holder of Certificates**" and related expressions shall be construed accordingly).

In addition, title to French Law Certificates will be evidenced in accordance with Article L.211-4 of the French Code monétaire et financier by book-entries (*inscription en compte*). No document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of such Certificates. Certificates will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes the depository bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the Rule 144A Global Certificate will be registered in the name of Cede & Co., as nominee of DTC,

but this does not confer any rights or benefits on Cede & Co. or any other nominee of DTC in whose name a Rule 144A Global Certificate may be registered. Transfers of such Rule 144A Global Certificate by such nominee of DTC shall be limited to transfers of such Global Certificate, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. Rights conferred by the Rule 144A Global Certificate are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 1(C) below, each person who is for the time being shown in the records of DTC as the Holder of a particular amount of Certificates shall (except as otherwise required by law) be treated by the Issuer and the New York Certificate Agent as the Holder of such amount of Certificates for all purposes (and the expressions "Holder" and "Holder of Certificates" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Certificates, BNPP shall cause to be kept at the principal office of the Definitive Certificate Agent, a register (the "Private Placement Register") on which shall be entered the names and addresses of all holders of Private Placement Definitive Certificates, the amount and type of Private Placement Definitive Certificates held by them and details of all transfers of Private Placement Definitive Certificates. Subject as set forth in Condition 1(C) below, the persons shown in the Private Placement Register (each a "**Holder**") shall (except as otherwise required by law) be treated as the absolute owners of the relevant Private Placement Definitive Certificates for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

(C) Transfers of Interests in Global Certificates

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 6.

Subject as set forth in this Condition, all transactions (including permitted transfers of Certificates) in the open market or otherwise must be effected, in the case of Certificates represented by a Global Certificate held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System through an account at Clearstream, Luxembourg or Euroclear, as the case may be, or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC through a direct or indirect participant of DTC, subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Transfers in respect of Certificates represented by a French Law Global Certificate must be effected through Account Holders(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System.

Any reference herein to Clearstream, Luxembourg and/or Euroclear and/or DTC and/or any other relevant Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Certificate Agent from time to time and notified to the Holders in accordance with Condition 11.

Subject as set forth in this Condition, Private Placement Definitive Certificates may be transferred by the then current Holder surrendering its Private Placement Definitive Certificate for registration of transfer at the specified office of the Definitive Certificate Agent, duly endorsed by, or accompanied by a written instrument of transfer (in the form satisfactory to BNPP and the Definitive Certificate Agent), duly executed by the Holder or its duly authorised agent. Private Placement Definitive Certificates may only be issued and transferred in minimum nominal amounts of \$250,000.

(a) Transfers of Certificates to a person who takes delivery in the form of Certificates represented by a Global Certificate may be made only in accordance with the following provisions:

(i)

- (A) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Certificates represented by a Regulation S Global Certificate, to a non-U.S. person in an offshore transaction pursuant to Regulation S;
  - (B) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Certificates represented by a Regulation S Global Certificate, within the Distribution Compliance Period (as defined below) only, upon certification (in the form from time to time available from any Certificate Agent) to the New York Certificate Agent by the transferor thereof that such transfer is being made to a person who is a QIB acquiring such Certificates in a transaction meeting the requirements of Rule 144A and, after the expiration of the Distribution Compliance Period, in a transaction meeting the requirements of Rule 144A but without such certification;
  - (C) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Private Placement Definitive Certificates upon certification (in the form from time to time available from any Certificate Agent) to the Principal Certificate Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S;
  - (D) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Private Placement Definitive Certificates upon certification (in the form from time to time available from any Certificate Agent) to the New York Certificate Agent by the transferor thereof that such transfer is being made to a person who is a QIB acquiring such Certificates in a transaction meeting the requirements of Rule 144A;
  - (E) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Certificates represented by a Rule 144A Global Certificate, in a transaction meeting the requirements of Rule 144A;
  - (F) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Certificates represented by a Rule 144A Global Certificate upon certification (in the form from time to time available from any Certificate Agent) to the Principal Certificate Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S; and
  - (G) in each case, in accordance with any applicable rules and regulations of the Principal Certificate Agent, the New York Certificate Agent, the Definitive Certificate Agent, the relevant Clearing System and/or as specified in the applicable Final Terms.
- (ii) The Holder must send:
- (A) in the case of transfers of Private Placement Definitive Certificates, a free of payment instruction to the Definitive Certificate Agent, not later than 5.00 p.m., New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect;
  - (B) in the case of transfers of Certificates represented by a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, a free of payment



instruction to Clearstream, Luxembourg or Euroclear, as the case may be, not later than 10.00 a.m. local time in the city of the relevant Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect; and

- (C) in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, a free of payment instruction to DTC, not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

(iii) On the transfer date:

- (A) in the case of transfers of Certificates represented by a Global Certificate, the relevant Clearing System will debit the account of its participant and (y) in the case of transfers of Private Placement Definitive Certificates, the Holder must deliver the Private Placement Definitive Certificates the subject of the transfer to the Definitive Certificate Agent and instruct the Definitive Certificate Agent to cancel the transferred Private Placement Definitive Certificates; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct (x) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Certificate Agent to instruct the relevant Clearing System to credit the relevant account of the relevant Clearing System participant, and (y) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, (1) the New York Certificate Agent (in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (2) the Definitive Certificate Agent (in the case of transfers of Private Placement Definitive Certificates) to credit the relevant account of the DTC participant, or (3) the Principal Certificate Agent (in the case of transfers of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) to instruct DTC to credit the relevant account of Clearstream, Luxembourg or Euroclear at DTC and/or any other relevant Clearing System and thereafter DTC will debit such account of Clearstream, Luxembourg or Euroclear and/or an other relevant Clearing System, as the case may be, and will credit the relevant account of the DTC participant.

(iv) Upon any such transfer, on the transfer date:

- (A) the Principal Certificate Agent, in the case of transfers to and/or from a person who takes delivery in the form of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, will increase or decrease, if appropriate, the number of Certificates represented by such Global Certificate, whereupon the number of Certificates represented by such Global Certificate shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
- (B) the New York Certificate Agent, in the case of transfers to and/or from a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate held by

a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Certificates represented by such Rule 144A Global Certificate, whereupon the number of Certificates represented by such Rule 144A Global Certificate shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.

- (b) Transfers of Certificates to a person who takes delivery in the form of Private Placement Definitive Certificates may be made only in accordance with the following provisions:

(i)

- (A) in the case of transfers from a Holder of Private Placement Definitive Certificates, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Certificate Agent) to the Definitive Certificate Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI acquiring such Certificates in a transaction exempt from the registration requirements of the Securities Act;
- (B) in the case of transfers from a Holder of Certificates represented by a Rule 144A Global Certificate, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) certification (in the form from time to time available from any Certificate Agent) to the Definitive Certificate Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI who is acquiring such Certificates in a transaction exempt from the registration requirements of the Securities Act;
- (C) in the case of transfers from a Holder of Certificates represented by a Regulation S Global Certificate, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) within the Distribution Compliance Period only, certification (in the form from time to time available from any Certificate Agent) to the Definitive Certificate Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI acquiring such Certificates in a transaction exempt from the registration requirements of the Securities Act; and
- (D) in each case, in accordance with any applicable securities laws of any state of the United States and any applicable rules and regulations of the New York Certificate Agent, the Definitive Certificate Agent, the relevant Clearing System and/or as specified in the applicable Final Terms.

(ii) The Holder must send:

- (A) in the case of transfers of Private Placement Definitive Certificates, a free of payment instruction to the Definitive Certificate Agent not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect;
- (B) in the case of transfers of Certificates represented by a Regulation S Global Certificates or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, a free of payment instruction to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, not later than 10.00 a.m. local time in the city of the relevant

Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect; and

- (C) in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, a free of payment instruction to DTC, not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

(iii) On the transfer date:

- (A) in the case of transfers of Certificates represented by a Global Certificate, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Certificates, the Holder must deliver the Private Placement Definitive Certificates the subject of the transfer to the Definitive Certificate Agent and instruct the Definitive Certificate Agent to cancel the transferred Private Placement Definitive Certificates; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Certificate Agent to deliver or procure the delivery of new Private Placement Definitive Certificates, of a like number to the number of Certificates transferred, to the transferee at its specified office or send such new Private Placement Definitive Certificates, by uninsured mail, at the risk of the transferee, to such address as the transferee may request.

(iv) Upon any such transfer, on the transfer date:

- (A) the Principal Certificate Agent will, in the case of transfers of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Certificates represented by such Global Certificate, if appropriate, whereupon the number of Certificates represented by such Global Certificate shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
  - (B) the New York Certificate Agent will, in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, decrease the number of Certificates represented by such Rule 144A Global Certificate, if appropriate, whereupon the number of Certificates represented by such Rule 144A Global Certificate shall, if appropriate, be reduced for all purposes by the number so transferred and endorsed.
- (c) In the case of transfers of Certificates to a person who takes delivery in the form of a Private Placement Definitive Certificate, the delivery of a duly executed investor representation letter in the form set out in the Agency Agreement (an “**Investor Representation Letter**”) from the relevant transferee to the Definitive Certificate Agent is a condition precedent to the transfer of such Private Placement Definitive Certificate or any beneficial interests therein. The Investor Representation Letter must be duly executed by such proposed transferee or such proposed transferee’s attorney duly authorised in writing, at least three Business Days in New York prior to the date the transfer of such Private Placement Definitive Certificate is desired. Any attempted transfer in which the Investor Representation Letter and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on BNPP.

If (i) the Principal Certificate Agent (in relation to Global Certificates held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Certificate Agent (in relation to Rule 144A Global Certificates held by a Custodian on behalf of DTC) or (iii) the Definitive Certificate Agent (in relation to Private Placement Definitive Certificates) subsequently determines or is subsequently notified by BNPP that (i) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Certificate was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, or (ii) the Holder of any interest in any Certificate was in breach, at the time given, of any representation or agreement given by such Holder (including, but not limited to, in the case of Private Placement Definitive Certificates, any such representation or agreement set forth in the relevant Investor Representation Letter) or (iii) a transfer or attempted transfer of any interest in any Certificate was consummated that did not comply with the transfer restrictions set forth in this Condition 1(C), the purported transfer shall be absolutely null and void ab initio and shall vest no rights in the purported transferee (such purported transferee, a **“Disqualified Transferee”**) and the last preceding Holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Holder thereof retroactively to the date of transfer of such interest by such Holder.

## 2. Status of the Certificates and Guarantee

The Certificates are unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* among themselves.

Where the Issuer is BNPP B.V., the Guarantee is an unsubordinated and unsecured obligation of BNPP and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations subject to such exceptions as may from time to time be mandatory under French law.

## 3. Guarantee

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Certificates as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Certificates as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant to clause 11 thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Certificates in accordance with Condition 7(C) and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Certificates, but in lieu thereof, to make payment in respect of each such Physical Delivery Certificate of an amount calculated by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon redemption of such Certificates assuming they were Cash Settled Certificates calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Certificate less the costs of unwinding any underlying related hedging arrangements (the **“Guaranteed Cash Settlement Amount”**) and (ii) in the case of Certificates where the obligations of the Issuer which fail to be satisfied by BNPP constitute the delivery of the Entitlement to the Holders, the BNPP B.V. Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Certificates deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 7(B)(5)) or

(y) if “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 16(A), in lieu of such delivery BNPP will make payment in respect of each such Certificate of, in the case of (x) above, the Guaranteed Cash Settlement Amount or in the case of (y) above, the Failure to Deliver Settlement Price (as defined in Condition 16(C)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Certificate shall constitute a complete discharge of BNPP’s obligations in respect of such Certificate. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

#### 4. Definitions

For the purposes of these Terms and Conditions, the following general definitions will apply:

“**Affiliate**” means in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “**control**” means ownership of a majority of the voting power of an entity;

“**Averaging Date**” means:

- (A) in the case of Index Certificates, Share Certificates, Debt Certificates or Currency Certificates, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
  - (a) if “**Omission**” is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of “**Valuation Date**” will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
  - (b) if “**Postponement**” is specified as applying in the applicable Final Terms, then the provisions of the definition of “**Valuation Date**” will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
  - (c) if “**Modified Postponement**” is specified as applying in the applicable Final Terms then:
    - (i) where the Certificates are Index Certificates relating to a single Index or Share Certificates relating to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(y) of the definition of “**Valuation Date**” below;

- (ii) where the Certificates are Index Certificates relating to a basket of Indices or Share Certificates relating to a basket of Shares, the Averaging Date for each Index or Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the “**Scheduled Averaging Date**”) and the Averaging Date for each Index or Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Share. If the first succeeding Valid Date in relation to such Index or Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index or Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(y) of the definition of “Valuation Date” below; and
- (iii) where the Certificates are Debt Certificates or Currency Certificates provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(B) in the case of Commodity Certificates, each date specified as such in the applicable Final Terms;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open and (i) where the Certificates are Global Certificates, a day on which the relevant Clearing System is open for business and (ii) where the Certificates are Private Placement Definitive Certificates, a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York;

“**Cash Settlement Amount**” means, in relation to Cash Settled Certificates, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms;

“**Chinese QFII**” means an entity outside the People’s Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (“**Qualified Foreign Institutional Investors**”) where “**Measures**” means the provisional measures regarding the regulation of Qualified Foreign Institutional Investor’s investing in domestic securities;

“**Clearing System**” means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or DTC and/or Iberclear and/or any additional or alternative clearing system approved by the Issuer and the relevant Certificate Agent(s) from time to time and specified in the applicable Final Terms;

“**Distribution Compliance Period**” means the period expiring 40 days after completion of the distribution of the relevant Certificates unless a longer period is specified in the applicable Final Terms. In such event, the Final Terms will specify the additional restrictions on transfer and redemption applicable to the Certificates;

“**English Law Certificates**” means the Certificates specified in the applicable Final Terms as being governed by English law;

“**English Law Guarantee**” means a deed of guarantee dated on or before the Issue Date, executed by BNPP in respect of English Law Certificates issued by BNPP B.V.;

**“Entitlement”** means, in relation to a Physical Delivery Certificate, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 12) rounded down as provided in Condition 7(B)(4), as determined by the Calculation Agent including any documents evidencing such Entitlement;

**“French Law Certificates”** means the Certificates specified in the applicable Final Terms as being governed by French law;

**“French Law Guarantee”** means the *garantie* dated on or about the Issue Date, executed by BNPP in respect of French Law Certificates issued by BNPP B.V.;

**“Guarantee”** means the English Law Guarantee or the French Law Guarantee, as the case may be;

**“Iberclear”** means “La Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal”;

**“Indian FII”** means an entity incorporated outside India with either foreign institutional investor (“FII”) status in India or a register FII sub-account in India;

**“Korean Investor ID Holder”** means an entity incorporated outside the Republic of Korea that is holding an investment identity card issued by the Financial Supervisory Service of the Republic of Korea;

**“Local Time”** means local time in the city of the relevant Clearing System;

**“Observation Date”** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions contained in the definition of “Averaging Date” shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Observation Date”;

**“Observation Period”** means the period specified as the Observation Period in the applicable Final Terms;

**“Qualified Investor”** means, where the Relevant Jurisdiction is Korea, Taiwan, India, People’s Republic of China, or Socialist Republic of Vietnam, a Korean Investor ID Holder, a Taiwan FINI, an Indian FII, a Chinese QFII and a Vietnamese QI, respectively;

**“Relevant Jurisdiction”** means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts or the Debt Securities are issued (or in which the Share Company or Basket Company, as the case may be, is incorporated) or the Index is based, as specified in the applicable Final Terms;

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

**“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;

**“Specified Maximum Days of Disruption”** means (other than with respect to Commodity Certificates) eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms;

**“Taiwan FINI”** means an entity incorporated outside Taiwan with Foreign Institutional Investor (FINI) status in Taiwan or with FINI sub-account status in Taiwan;

**“Valid Date”** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not or is deemed not to occur;

**“Valuation Date”** means

- (A) in the case of Index Certificates, Share Certificates or Debt Certificates, unless otherwise specified in the applicable Final Terms, the Valuation Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
  - (a) where the Certificates are Index Certificates relating to a single Index, Share Certificates relating to a single Share or Debt Certificates relating to a single Debt Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day 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 the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
    - (x) in the case of Index Certificates, by determining the level of the Index as of the Valuation Time on the last such consecutive 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 the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
    - (y) in the case of Share Certificates or Debt Certificates, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
  - (b) where the Certificates are Index Certificates relating to a basket of Indices, Share Certificates relating to a basket of Shares or Debt Certificates relating to a basket of Debt Securities, the Valuation Date for each Index, Share or Debt Security, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share or Debt Security affected, as the case may be, (each an “Affected Item”) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms which, in the case of a Share or Debt Security, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
    - (x) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last



in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

- (y) in the case of a Share or Debt Security, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day;

and otherwise in accordance with the above provisions;

- (B) in the case of Commodity Certificates, the date specified in the applicable Final Terms;

**“Valuation Time”** means:

- (a) the Relevant Time specified in the applicable Final Terms;
- (b) in the case of Index Warrants relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (b) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) in the case of Index Certificates relating to Indices other than Composite Indices or Share Certificates, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; and

**“Vietnamese QI”** means a corporation that both (a) is incorporated outside Vietnam and (b) does not have any permanent establishment in Vietnam.

## 5. Interest

- (A) Interest Amount

If so specified in the applicable Final Terms, each Certificate pays interest from and including the Interest Commencement Date of the Certificates at the Interest Rate payable in arrear on each Interest Payment Date.

The amount of interest payable in respect of each Certificate on each Interest Payment Date will amount to the Interest Amount (as defined below) for the Interest Period (as defined below) ending on (but excluding) such Interest Payment Date.

If interest is required to be calculated for a period ending other than on (but excluding) an Interest Payment Date, it will be calculated on the basis of the number of days from and including the most recent Interest Payment Date (or, if none, the issue date of the Certificates) to but excluding the relevant payment date, and the relevant interest rate day count fraction as specified in the applicable Final Terms (the **“Interest Rate Day Count Fraction”**).

Such Interest Rate and/or Interest Amount may be a fixed nominal (“**Fixed Interest Certificates**”) or floating (“**Floating Rate Certificates**”) interest rate or it may be determined by reference to (“**Interest Indexed Certificates**”), and the application of such Interest Rate and/or the payment of such Interest Amount may be limited or affected by, the performance of an Index, a Share, a Debt Security, a Commodity, an Inflation Index, a Fund Share or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms and, for avoidance of doubt, the provisions in these Terms and Conditions relating to such Index, Share, Debt Security, Commodity, Inflation Index, Fund Share or other underlying security shall apply *mutatis mutandis* in the manner specified in the applicable Final Terms.

(B) Accrual of Interest

Unless otherwise provided in the applicable Final Terms, each Certificate will cease to accrue interest from and including its due date for redemption unless payment of the amount and/or delivery of any Entitlement due on redemption is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case interest shall continue to accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be. For the avoidance of doubt, no interest on the Certificates shall accrue beyond the Redemption Date (as defined below) in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event.

(C) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a 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 Interest Business Day and (b) each subsequent such date shall be the last Interest 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 an Interest Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is an Interest 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 Interest Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Interest Business Day.

(D) Interest Rate on Floating Rate Certificates

The Interest Rate in respect of Floating Rate Certificates for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and, except as otherwise specified in the relevant Final Terms, the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(1) ISDA Determination for Floating Rate Certificates:

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 Accrual Period shall be determined by the Calculation Agent as a rate equal to 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 (x), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph (x), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(2) Screen Rate Determination for Floating Rate Certificates:

Where Screen Rate 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 Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (i) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Interest Rate shall be:
  - (a) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (b) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date;
- (ii) if the Page specified in the relevant Final Terms as a Primary Source permanently ceases to quote the Relevant Rate(s) but such quotation(s) is/are available from another page, section or other part of such information service selected by the Calculation Agent (the “**Replacement Page**”), the Replacement Page shall be substituted as the Primary Source for Interest Rate quotations and if no Replacement Page exists but such quotation(s) is/are available from a page, section or other part of a different information service selected by the Calculation Agent (the “**Secondary Replacement Page**”), the Secondary Replacement Page shall be substituted as the Primary Source for Interest Rate quotations;
- (iii) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (i)(a) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(b) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- (iv) if paragraph (iii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates then, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Relevant Currency is euro, the Euro-zone, (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would

customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall (unless otherwise specified) be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(3) Margin, Maximum/Minimum Interest Rates, Rate Multipliers and Rounding:

If any Margin or Rate Multiplier is specified (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (iii) below by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

If any Maximum or Minimum Interest Rate is specified hereon, then any Interest Rate, shall be subject to such maximum or minimum, as the case may be.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency which is available as legal tender in the country or countries of such currency and with respect to the euro, means 0.01 euro.

(E) Calculations

The amount of interest payable in respect of any Certificate for any period shall be calculated by multiplying the product of the Interest Rate and the Notional Calculation Amount in respect of such Certificate as of the last day of such period (or in the case of Partly Paid Certificates, the amount paid up) by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Certificate for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(F) Determination and Publication of Interest Rates and Interest Amounts

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to obtain any quote or make any determination or calculation, it shall determine the Interest Rate and calculate the relevant Interest Amount in respect of each Certificate for the relevant Interest Accrual Period, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Agent and the Issuer, the Certificateholders, and, if the Certificates are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such stock exchange of an

Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(B), 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. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(G) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will be paid on such Certificates as aforesaid on the amount paid up in respect of such Certificates and otherwise as specified in the applicable Final Terms.

(H) Definitions

Unless otherwise provided in the applicable Final Terms:

“**Benchmark**” has the meaning given it in the applicable Final Terms.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Certificate for any period of time (from, and including, the first day of such period to, but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/365**” or “**Actual/Actual-ISDA**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);
- (ii) if “**Actual/Actual-ISMA**” is specified in the applicable Final Terms;
- (iii) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (iv) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Periods normally ending in any year,

where

“**Determination Period**” means the period from, and including, a Determination Date in any year to, but excluding, the next Determination Date; and

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

if “**Actual/360**” is specified in the applicable final terms, the actual number of days in the Calculation Period divided by 360;

if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable final terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable final terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Redemption Date, the Redemption Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means the amount of interest payable.

“**Interest Business Day**” means:

- (i) a Business Day; and
- (ii) in the case of a Relevant Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; or
- (iii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”).

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the applicable Final Terms.

“**Interest Determination Date**” means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Relevant Currency is Sterling or (ii) the day falling two Business Days in London for the Relevant Currency prior to the first day of such Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

**“Interest Payment Date”** means, in respect of each Certificate, the dates specified as such in the applicable Final Terms.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

**“Interest Rate”** means the rate of interest payable from time to time in respect of the Certificates and that is either specified or calculated in accordance with the provisions in the applicable final terms.

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable final terms.

**“Notional Calculation Amount”** means, from time to time, the Notional Amount of the relevant Certificate less, in the case of Instalment Certificates, any Instalment Amounts paid prior to such time.

**“Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (**“Reuters”**) and Telerate) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

**“Reference Banks”** means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone).

**“Relevant Currency”** means the currency specified as such in the applicable final terms or, if none is specified, the currency in which the Certificates are denominated.

**“Relevant Financial Centre”** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the applicable final terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the euro-zone) or, if none is so connected, London.

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

**“Relevant Time”** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the applicable 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 the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and for the purpose of this definition, **“local time”** means, with respect to Europe and the euro-zone as a Relevant Financial Centre, Brussels time.

**“Representative Amount”** means, with respect to any Floating Rate to be determined on an Interest Determination Date, an amount that is representative for a single transaction in the relevant market at the time.

**“Specified Duration”** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the applicable Final Terms or, if none is specified, a period of time equal to the relevant Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(B).

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

## 6. Redemption of Certificates

### (A) General

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate will be redeemed by the Issuer:

- (i) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (ii) in the case of a Physical Delivery Certificate, subject as provided in Condition 7 below, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, as specified in the applicable Final Terms relating to such Certificate (the **“Redemption Date”**). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 7(B)(5) below), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Annex 1 (*Additional Terms and Conditions for Index Certificates*), Annex 2 (*Additional Terms and Conditions for Share Certificates*) and Annex 5 (*Additional Terms and Conditions for Commodity Certificates*) as specified in the applicable Final Terms.

### (B) Issuer Call Option

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given:

- (i) except in the case of Certificates represented by Private Placement Definitive Certificates and Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, not less than 15 nor more than 30 days’ notice to the Holders in accordance with Condition 11 and, in the case of Certificates represented by Private Placement Definitive Certificates and Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, not less than 30 nor more than 45 days’ notice to the Holders in accordance with Condition 11; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the relevant Certificate Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding on any date fixed for redemption as specified in the applicable Final Terms (an **“Optional Redemption Date”**) and at an amount specified in, or determined in the manner specified in, the applicable Final Terms (the **“Optional Redemption Amount”**) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.



In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, DTC or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Certificate Agent will select the Certificates to be redeemed individually by lot, not more than 45 days prior to the date fixed for redemption, and give notice to Holders, in accordance with Condition 11, of the serial numbers of the Certificates to be redeemed not less than 15 days prior to the date fixed for redemption. Private Placement Definitive Certificates may only be redeemed in minimum amounts of U.S.\$250,000 or more, and the remaining unredeemed portion thereof must be at least U.S.\$250,000. So long as the Certificates are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Certificates, cause to be published on the website of the Luxembourg Stock Exchange (“www.bourse.lu”) a notice specifying the aggregate nominal amount of Certificates outstanding.

(C) Holder Put Option

If Holder Put Option is specified in the applicable Final Terms, upon the Holder of any Certificate giving to the Issuer not less than 15 nor more than 30 days’ notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as defined in the applicable Final Terms).

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Holder of the Certificate must deliver at the specified office of any Certificate Agent at any time during normal business hours of such Registrar or Certificate Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Certificate Agent (a **“Put Notice”**) and in which the Holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6(C), accompanied by the Certificate or evidence satisfactory to the Certificate Agent concerned that the Certificate will, following delivery of the Put Notice, be held to its order or under its control in a manner reasonably satisfactory to the Certificate Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Holder of the Certificate must, within the notice period, give notice to the Certificate Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System or any common depository for them to the Certificate Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System from time to time and, if the Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the relevant Certificate Agent for notation accordingly. Any Put Notice given by a Holder of any Certificate pursuant to this Condition shall be irrevocable.

(D) Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

(E) Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

## 7. Payments and Physical Delivery

### (A) Payments

Subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Certificate Agent, as the case may be, (in the case of English Law Certificates) or with the relevant Account Holder (in the case of French Law Certificates) for value on the Redemption Date (or in the case of Instalment Certificates, on the relevant Instalment Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Certificate Agent, as the case may be or Account Holder.

Where the Certificates pay interest, subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Holder's account with the relevant Clearing System or in the case of Private Placement Definitive Certificates, the office of the Definitive Certificate Agent, as the case may be, for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of such Clearing System or the Definitive Certificate Agent, as the case may be.

The Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Certificate Agent, as the case may be, or, as the case may be, the relevant Account Holder, in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System or the Definitive Certificate Agent, as the case may be, (in the case of English Law Certificates) or whose name appears in the account of the relevant Account Holder (in the case of French Law Certificates) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Certificate Agent, as the case may be, or, as the case may be, the relevant Account Holder for his share of each such payment so made to, or to the order of, such Clearing System or the Definitive Certificate Agent, as the case may be or Account Holder.

In the case of Private Placement Definitive Certificates only, if a Holder has given wire transfer instructions to the Issuer and Definitive Certificate Agent, the Company will make all payments in accordance with those instructions.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

### (B) Physical Delivery

#### (1) Asset Transfer Notices

In relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant Holder must (a) in the case of Global Certificates held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, deliver to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, or, as the case may be, the relevant Account Holder, not later than 10.00 a.m. (Local Time) on the date (the "**Cut-off Date**") falling three Business Days prior to the Scheduled Valuation Date or, where there is more than one Scheduled Valuation Date, the first such Scheduled Valuation Date, (b) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian

on behalf of DTC, deliver to the New York Certificate Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date or (c) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Certificate Agent, not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, with a copy to the relevant Certificate Agent, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in the form set out in the Agency Agreement in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Certificate Agent.

In the case of Global Certificates, an Asset Transfer Notice may only be delivered in such manner as is acceptable to the relevant Clearing System or, as the case may be, the relevant Account Holder, which is expected to be by authenticated SWIFT message or tested telex or, in the case of the New York Certificate Agent and in the case of the Definitive Certificate Agent, by facsimile.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (ii) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (iii) in the case of Global Certificates, specify the number of the Holder’s securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with such Certificates or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with such Certificates;
- (iv) (a) in the case of Global Certificates, irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit the relevant Holder’s securities account with the relevant Certificates or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, irrevocably instruct the New York Certificate Agent to debit the relevant Holder’s account with the relevant Certificates or (b) in the case of Private Placement Definitive Certificates, irrevocably instruct the Definitive Certificate Agent to remove from the Private Placement Register on or before the Redemption Date the Certificates which are subject of such notice;
- (v) (a) in the case of Global Certificates, include an undertaking to pay all Expenses and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to debit a specified account of the Holder with the relevant Clearing System or, as the case may be, the relevant Account Holder, in respect thereof and to pay such Expenses or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, an authority to the New York Certificate Agent to debit a specified account of the Holder and to pay such Expenses or (b) in the case of Private Placement Definitive Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Certificate Agent to deduct an amount in respect thereof from any amount due to such Holder and/or debit a specified account of the Holder in respect thereof;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name

evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (i) in the case of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, specify the name and number of the Holder's account with the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, (ii) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the details of the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of BNPP electing to pay the Alternate Cash Amount, or (iii) in the case of Private Placement Definitive Certificates, specify the details of the account to be credited with any cash payable by BNPP either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement, or as a result of BNPP electing to pay the Alternate Cash Amount;

- (vii) with respect to Currency Certificates only, (a) in the case of Global Certificates other than a Rule 144A Global Certificate specify the number of the Holder's account to the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon redemption of the Certificates, (b) in the case of Currency Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon redemption of the Certificates, or (c) in the case of Private Placement Definitive Certificates, specify the details of the account to be credited with the amount due upon redemption of the Certificates;
- (viii) certify, in the case of Global Certificates other than a Rule 144A Global Certificate, that the beneficial owner of each Certificate is not a U.S. person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and, where appropriate, including in the case of a Rule 144A Global Certificate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms;
- (ix) in the case of Private Placement Definitive Certificates, include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms;
- (x) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If Condition 7(C) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the relevant Certificate Agent.

(2) Verification of the Holder

Upon receipt of an Asset Transfer Notice, the relevant Clearing System or, as the case may be, the relevant Account Holder shall verify that the person delivering the Asset Transfer Notice is the holder of the Certificates described therein according to its records. Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Certificate Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof. The relevant Clearing System or, as the case may be, the relevant Account Holder will on or before the Delivery Date debit the securities account of the relevant Holder with the relevant Certificates.

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, upon receipt of an Asset Transfer Notice, the New York Certificate Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the records of DTC. Subject thereto, the New York Certificate Agent will confirm the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the New York Certificate Agent will inform BNPP thereof. The New York Certificate Agent will, on or before the Delivery Date, debit the account of the relevant Holder with the relevant Certificates. In the case of Private Placement Definitive Certificates, upon receipt of an Asset Transfer Notice, the Definitive Certificate Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Private Placement Register. Subject thereto, the Definitive Certificate Agent will confirm the series number and number of Certificates the subject of such notice and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Definitive Certificate Agent will inform BNPP thereof. The Definitive Certificate Agent will, on or before the Delivery Date, update the Private Placement Register.

(3) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by (i) in the case of Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC), the relevant Clearing System or, as the case may be, the relevant Account Holder, (ii) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the New York Certificate Agent, or (iii) in the case of Private Placement Definitive Certificates, the Definitive Certificate Agent, in each case, in consultation with the Principal Certificate Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Certificate Agents and the relevant Holder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Certificate Agent immediately after being delivered or sent to the relevant Clearing System or, as the case may be, the relevant Account Holder, the New York Certificate Agent or the Definitive Certificate Agent, as provided in paragraph (1) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of the relevant Clearing System, the New York Certificate Agent or the Definitive Certificate Agent or, as the case may be, the relevant Account Holder in consultation with the Principal Certificate Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to the relevant Clearing System or, as the case may be, the relevant Account Holder and the Principal Certificate Agent.

The relevant Clearing System, the New York Certificate Agent or the Definitive Certificate Agent, as the case may be, or, as the case may be, the relevant Account Holder shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Principal

Certificate Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Certificate Agents or the relevant Clearing System or, as the case may be, the relevant Account Holder shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the relevant Account Holder or the relevant Certificate Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this Condition, the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Certificate Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Certificate Agent, as provided above on or prior to the Cut-Off Date.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Certificate Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Redemption Date and no liability in respect thereof shall attach to the Issuer or the Guarantor, if any.

The Issuer shall at the risk of the relevant Holder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

#### (4) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that, the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a Share Certificate all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 7(B)(1).

For such period of time after delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Guarantor, if any, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any

letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

(5) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Certificates (in which case another price or prices will be specified in the applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 11 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Certificate in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For the purposes hereof:

**“Disruption Cash Settlement Price”**, in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion;

**“Settlement Business Day”**, in respect of each Certificate, has the meaning specified in the applicable Final Terms relating to such Certificate; and

**“Settlement Disruption Event”** means, in the opinion of the Calculation Agent or, if the proviso to Condition 3 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 3 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(6) Failure to Deliver due to Illiquidity

“Failure to Deliver due to Illiquidity” if specified as applying in the applicable Final Terms, will be an Additional Disruption Event, as described in Condition 16(A) below.

(C) Variation of Settlement

- (i) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Certificates (which, unless otherwise specified, will not apply to U.S. Certificates), the Issuer may at its sole and unfettered discretion in respect of each such Certificate, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Redemption Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 11.
- (ii) If specified in the applicable Final Terms, the Issuer shall, in respect of each Certificate, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Redemption Date to the relevant Holders.

(D) Issuer’s Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid redemption of Certificates in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Certificates, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the “**Substitute Asset**” or the “**Substitute Assets**”, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the “**Alternate Cash Amount**”). Notification of any such election will be given to Holders in accordance with Condition 11.

For purposes hereof, a “**freely tradable**” share shall mean (i) with respect to the United States, a share which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share and not purchased from an affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradable share for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction.

(E) Rights of Holders and Calculations

None of the Issuers, the Guarantor, the Calculation Agent and the Certificate Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The purchase of Certificates does not confer on any Holder of such Certificates any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(F) Prescription



Claims against the Issuer or the Guarantor, if any, for payment of principal or interest in respect of the Certificates shall become void unless made within 60 months from the Redemption Date and no claims shall be made after such date.

## **8. Illegality and Force Majeure**

### **(A) Illegality**

If the Issuer determines that the performance of its obligations under the Certificates has become illegal in whole or in part for any reason, the Issuer may, on giving notice to Holders in accordance with Condition 11, redeem all but not some only of the Certificates.

If the Issuer redeems the Certificates early then the Issuer will, if and to the extent permitted by applicable law, and except as may be limited in the case of U.S. Certificates pay to each Holder in respect of each Certificate held by such Holder an amount equal to the fair market value of a Certificate, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the relevant Final Terms) as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

### **(B) Force Majeure**

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Certificates, the Issuer may redeem the Certificates by giving notice to Holders in accordance with Condition 11.

If the Issuer redeems the Certificates then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Certificate held by such Holder, which amount shall be the fair market value (if any) of a Certificate taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

## **9. Purchases**

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Certificates so purchased may be held or resold or surrendered for cancellation; provided, however, that Certificates so purchased may only be resold pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 144A, Regulation S or otherwise thereunder. In the case of BNPP, any Certificates so purchased will forthwith be cancelled and accordingly may not be re-issued or resold.

## **10. Certificate Agents, Determinations and Modifications**

### **(A) Certificate Agents**

The specified offices of each Certificate Agent is as set out at the end of these Terms and Conditions.

Each of the Issuer and the Guarantor, if any, reserves the right at any time to vary or terminate the appointment of any Certificate Agent and to appoint further or additional Certificate Agents, provided that no

termination of appointment of the Agent shall become effective until a replacement Certificate Agent shall have been appointed and provided that, so long as any of the Certificates are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be an Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority. So long as any of the Certificates are Private Placement Definitive Certificates, there shall be a Definitive Certificate Agent, and so long as any of the Certificates are represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, there shall be a New York Certificate Agent. Notice of any termination of appointment and of any changes in the specified office of the Certificate Agent will be given to Holders in accordance with Condition 11. In acting under the Agency Agreement, the Certificate Agent acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations and calculations made in respect of the Certificates by the Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

**(B) Calculation Agent**

In relation to each issue of Certificates, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage SNC or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Certificates by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be affiliate of the Issuers, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

**(C) Determinations by the Issuer and the Guarantor**

Any determination made by the Issuer or the Guarantor, if any, pursuant to these Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders.

**(D) Modifications**

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Holders in accordance with Condition 11 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

**11. Notices**

All notices to Holders shall be valid if (a) in the case of Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC), delivered to the relevant Clearing System (in the case of English Law Certificates) or the relevant Account Holder (in the case of French Law Certificates) for communication by them to the Holders, (b) so long as the Certificates are listed on a stock exchange, in accordance with the rules and regulations of the relevant stock exchange, (c) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, to DTC for communication by it to the

Holders and any such notices shall be conclusively presumed to have been received by the Holders, or (d) in the case of Certificates represented by Private Placement Definitive Certificates, mailed to their registered addresses appearing in the Private Placement Register. If the Certificates are listed and admitted to trading on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, notices shall be published in a daily newspaper with general circulation in Luxembourg which is expected to be the d'Wort or notices shall be made available on the website of the Luxembourg Stock Exchange ("www.bourse.lu"). Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

## **12. Expenses and Taxation**

- (A) A Holder of Certificates must pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption of (or in the case of Instalment Certificates, payment of an Instalment Amount in respect of) the Certificates and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of the Certificates ("Expenses") relating to such Certificates as provided above.
- (B) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or enforcement of any Certificate and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

## **13. Further Issues**

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further Certificates so as to be consolidated with and form a single series with the outstanding Certificates.

## **14. Substitution of the Issuer or the Guarantor**

- (A) Except in the case of U.S. Certificates, the Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the Certificates any company (the "**Substitute**"), being the Issuer or any other company, subject to:
  - (i) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Certificates;
  - (ii) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Certificates represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;
  - (iii) the Substitute becoming party to the Agency Agreement, (unless the Substitute is a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
  - (iv) each stock exchange on which the Certificates are listed shall have confirmed that, following the proposed substitution of the Substitute, the Certificates will continue to be listed on such stock exchange;
  - (v) (if appropriate, the Substitute shall have appointed a process agent as its agent in England (in the case of English Law Certificates) or France (in the case of French Law Certificates) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Certificates; and

- (vi) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 11.
- (B) Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Certificates any company (the “**Substitute Guarantor**”), being BNPP or any other company, subject to:
- (i) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined in the sole and absolute discretion of the Calculation Agent by reference to, *inter alia*, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. and/or Moody's Investors Service Limited and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
  - (ii) the Substitute Guarantor having entered into a guarantee (the “**Substitute Guarantee**”) in respect of the Certificates in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Certificates in place of BNPP (or of any previous substitute under this Condition);
  - (iii) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Certificates remain outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Certificates, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
  - (iv) each stock exchange on which the Certificates are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Certificates;
  - (v) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Certificates) or France (in the case of French Law Certificates) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Certificates or the Substitute Guarantee; and
  - (vi) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 11.

## 15. Governing Law

### (A) English Law Certificates

- (i) The English Law Certificates, the English Law Agency Agreement and the English Law Guarantee are governed by and shall be construed in accordance with English law.
- (ii) This Condition is for the benefit of the Holders of English Law Certificates only. Subject as provided below, the courts of England shall have exclusive jurisdiction to settle all disputes that may, directly or indirectly, arise out of or in connection with the English Law Certificates and the English Law Guarantee and consequently each of the Issuer and the Guarantor submits to the exclusive jurisdiction

of the English courts to hear all suits, actions or proceedings (together hereafter termed the **“Proceedings”**) relating to any such dispute. Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition shall limit the right of the Holders to take any Proceedings against the Issuer and/or the BNPP B.V. Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

- (iii) Each of the Issuer and the Guarantor hereby appoints BNP Paribas, London branch at its registered office at 10 Harewood Avenue, London NW1 6AA, as its or their agent in England to receive service of process in any Proceedings in England relating to the English Law Certificates and the English Law Guarantee, as the case may be. If for any reason such process agent ceases to act as such or no longer has an address in England, each of the Issuer and the BNPP B.V. Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Certificates of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

(B) French Law Certificates

The French Law Certificates, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with French law, and any action or proceeding in relation thereto (**“Proceedings”**) shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (*Cour d’Appel de Paris*). Nothing in this Condition 15(B) shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

## 16. Additional Disruption Events

Unless otherwise specified in the applicable Final Terms, the Additional Disruption Events shall not apply to any U.S. Certificates.

- (A) **“Additional Disruption Event”** means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Loss of Stock Borrow, Failure to Deliver due to Illiquidity, Analogous Event, Cancellation Event, Currency Event, Force Majeure Event and/or Jurisdiction Event in each case if specified in the applicable Final Terms, save that any reference in the definitions of the above Additional Disruption Events to “Share” and “Share Company” shall instead be references to “Debt Security” and “Security Issuer” (as defined in the Final Terms) respectively in respect of Debt Security or Debt Certificates;

**“Change in Law”** means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share Certificates) or any relevant hedge positions relating to an Index (in the case of Index Certificates);

**“Failure to Deliver due to Illiquidity”** means, following the exercise of Physical Delivery Certificates, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **“Affected Relevant Assets”**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets;

**“Hedging Disruption”** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Certificates, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s);

**“Hedging Shares”** means the number of Shares (in the case of Share Certificates) or components comprised in an Index (in the case of Index Certificates) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Certificates;

**“Increased Cost of Hedging”** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade 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 transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange and interest risk) of the Issuer issuing and performing its obligations with respect to the Certificates, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

**“Increased Cost of Stock Borrow”** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share (in the case of Share Certificates) or any security/commodity comprised in an Index (in the case of Index Certificates) that is greater than the Initial Stock Loan Rate;

**“Initial Stock Loan Rate”** means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the initial stock loan rate specified in relation to such Share, security or commodity in the applicable Final Terms;

**“Insolvency Filing”** means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

**“Loss of Stock Borrow”** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share (in the case of Share Certificates) or any securities/commodities comprised in an Index (in the case of Index Certificates) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate; and

**“Maximum Stock Loan Rate”** means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the Maximum Stock Loan Rate specified in the applicable Final Terms.

(B) Additional Definitions

The following additional Condition 16(B) shall apply only if so specified in the Final Terms.

**“Analogous Event”** means any analogous event to any of the Additional Disruption Event as determined by the Calculation Agent;

**“Cancellation Event”** means, that in the determination of the Calculation Agent, all or some of the Debt Securities are terminated or cancelled for any reason, and as a result thereof in the sole discretion of the Calculation Agent, such termination or cancellation either affects the aggregate hedge positions in respect of the Certificates or otherwise makes it impossible, impracticable or unduly onerous for the Issuer or the hedge provider to hedge the Issuer’s obligations in respect of the Certificates;

**“Currency Event”** means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its affiliates or any Qualified Investor (a) to convert the relevant currency (**“Local Currency”**) in which the Shares or any options or futures contracts or other hedging arrangement in relation to the Shares (for the purposes of hedging the Issuer’s obligations under the Certificates) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Shares or any options or futures contracts in relation to the Shares are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Certificates;

**“Force Majeure Event”** means that, on or after the Trade Date, the performance of the Issuer’s obligations under the Certificates is prevented or materially hindered or delayed due to (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the Issuer’s control; or (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer and/or any of its affiliates or any Qualified Investor, of all or substantially all of its assets in the Local Currency jurisdiction;

**“Jurisdiction Event”** means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its affiliates or a Qualified Investor to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Shares or any options or futures contracts in relation to the Shares in order for the Issuer to perform its obligations under the Certificates or in respect of any relevant hedging arrangements in connection with the Certificates (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Certificates) or the costs of so doing would (in the absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgement, order, interpretation, directive or decree of any Government Authority or otherwise; and

**“Government Authority”** means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

- (C) If an Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or, if applicable, (iii) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment;
- (ii) unless Delayed Redemption on Occurrence of Additional Disruption Event is specified in the applicable in the applicable Final Terms, on giving notice to Holders in accordance with Condition 11, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 11; or
- (iii) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "Calculated Additional Disruption Amount") as soon as practicable following the occurrence of the Additional Disruption Event (the "Calculated Additional Disruption Amount Determination Date") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

If a Failure to Deliver due to Illiquidity occurs:

- (i) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Redemption Date in accordance with Condition 7(B)(5); and
- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Certificates (in which case another price or prices will be specified in the applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

For the purposes hereof:

**"Failure to Deliver Settlement Price"** in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

- (D) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 11 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

## 17. Adjustments for European Monetary Union



The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 11:

- (A) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Certificates shall be redenominated in euro;

The election will have effect as follows:

- (a) where the Settlement Currency of the Certificates is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Certificates will be made solely in euro as though references in the Certificates to the Settlement Currency were to euro;
  - (b) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and
  - (c) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or
- (B) require that the Calculation Agent make such adjustments to the Weighting and/or the Settlement Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting and/or the Settlement Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Certificate Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

In this Condition, the following expressions have the following meanings:

“**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

“**Established Rate**” means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) of the Treaty;

“**euro**” means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

“**National Currency Unit**” means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

“**Treaty**” means the treaty establishing the European Community, as amended.

**18. Contracts (Rights of Third Parties) Act 1999**

The English Law Certificates do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of such Certificates but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## ANNEX 1

### ADDITIONAL TERMS AND CONDITIONS FOR INDEX CERTIFICATES

*The terms and conditions applicable to Index Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Index Certificate Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Certificate Conditions, the Index Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Index Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

“**Composite Index**” means any Index specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

“**Component**” means each and any component security of any Index;

“**Disrupted Day**” means:

- (i) in respect of any Composite Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of such Index, (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred; and
- (ii) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which a relevant Exchange or a Related Exchange (if any) fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

“**Early Closure**” means:

- (i) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (ii) in the case of an Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20% or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) 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:

- (i) in the case of a Composite Index, in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Calculation Agent, any successor thereto or any substitute exchange or quotation system to which trading in the securities/commodities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable

liquidity relative to the shares on such temporary substitute exchange or quotation system as on the original Exchange); and

- (ii) in the case of any Index which is not a Composite Index, and in respect of such Index each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the component comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the component comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means either (i) in the case of a single Index, Exchange Business Day (Single Index Basis) or (ii) in the case of a basket of Indices, Exchange Business Day (All Indices Basis) or Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

**“Exchange Business Day (All Indices Basis)”** means any Scheduled Trading Day on which (i) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are open for trading during their respective regular trading session(s) in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time and (ii) in respect of any Composite Indices, (a) the Index Sponsor publishes the level of such Composite Indices and (b) each Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Indices, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Business Day (Per Index Basis)”** means, in respect of an Index, any Scheduled Trading Day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during its regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Composite Index, (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) the Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Business Day (Single Index Basis)”** means any Scheduled Trading Day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during its regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Composite Index (a) the relevant Index Sponsor publishes the level of such Composite Index and (b) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

**“Exchange Disruption”** means:-

- (i) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (a) any Component on the Exchange in respect of such Component; or (b) in futures or options contracts relating to such Index on the Related Exchange; and
- (ii) in the case of an Index which is not a Composite 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 (a) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20% or more of the level of the relevant Index, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

**“Index”** and **“Indices”** mean, subject to adjustment in accordance with this Annex 1, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly;

**“Index Sponsor”** means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date of the Certificates is the index sponsor specified for such Index in the applicable Final Terms;

**“Related Exchange”** means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

**“Scheduled Trading Day”** means either (i) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a basket of Indices, Scheduled Trading Day (All Indices Basis) or Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

**“Scheduled Trading Day (All Indices Basis)”** means any day on which (i) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s) in respect of such Indices, and (ii) in respect of any Composite Indices, (a) the Index Sponsor is scheduled to publish the level of such Composite Indices and (b) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

**“Scheduled Trading Day (Per Index Basis)”** means, in respect of an Index, any day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s) and (ii) in respect of a Composite Index, (a) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

**“Scheduled Trading Day (Single Index Basis)”** means, any day on which (i) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of a Composite Index (a) the relevant Index Sponsor is scheduled to publish the level of such Composite Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in “Valuation Date” or “Averaging Date”, as the case may be:

- (i) in the case of Index Certificates relating to a basket of Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or

- (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (ii) in the case of Index Certificates relating to a single Index, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

**“Trading Disruption”** means:

- (i) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to any Component on the Exchange in respect of such Component; or (b) in futures or options contracts relating to such Index on the Related Exchange; and
- (ii) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to securities that comprise 20% or more of the level of the relevant Index; or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

## 2. Market Disruption

**“Market Disruption Event”** means, in relation to Certificates relating to a single Index or basket of Indices:-

- (A) in respect of a Composite Index:
  - (i) (a) the occurrence or existence, in respect of any Component, of:
    - (1) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
    - (2) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
    - (3) an Early Closure in respect of such Component; and
  - (b) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20% or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of such Index shall be based on a comparison of (x)

the portion of the level of such Index attributable to that Component to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market “opening data”; and

- (B) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (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. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such 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 (i) the portion of the level of such Index attributable to that security and (ii) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been an Averaging Date, an Observation Date or a Valuation Date.

### 3. Adjustments to an Index

- (A) Successor Index Sponsor Calculates and Reports an Index

If a relevant 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 that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

- (B) Modification and Cessation of Calculation of an Index

If (i) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”), or permanently cancels a relevant Index and no Successor Index exists (an “**Index Cancellation**”), or (ii) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Calculation, each an “**Index Adjustment Event**”), then, except as may be limited in the case of U.S. Certificates,

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Certificates and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 11. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each redeemed Certificate being redeemed at an amount equal to

the fair market value of a Certificate, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11; or

- (iii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Additional Disruption Amount**”) as soon as practicable following the occurrence of the Index Adjustment Event (the “**Calculated Additional Disruption Amount Determination Date**”) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

(C) Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Certificate Agent of any determination made by it pursuant to paragraph (B) above and the action proposed to be taken in relation thereto and such Certificate Agent shall make available for inspection by Holders copies of any such determinations.

#### 4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the Index published on a given day and used or to be used by the Calculation Agent make any determination under the Certificates, is subsequently corrected and the correction published by the relevant Index Sponsor within 30 days of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

#### 5. Knock-in Event and Knock-out Event

- (A) If “Knock-in Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (B) If “Knock-out Event” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (C) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- (D) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in



Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

(E) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**“Knock-in Determination Day”** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject, in either case, to the provisions set forth in Index Certificate Condition 2 (*Market Disruption*). For the purposes of such Condition, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to “Omission”, “Postponement” or “Modified Postponement”, as the case may be, contained in the definition of “Averaging Date” in General Condition 4 shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Knock-in Determination Day”;

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**Knock-in Event”** means:

- (i) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (ii) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (x) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-in Level as specified in the applicable Final Terms;

**“Knock-in Level”** means (i) in the case of a single Index, the level of the Index or (ii) in case of a basket of Indices, the level, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 2 (*Market Disruption*) and Index Certificate Condition 3 (*Adjustments to an Index*);

**“Knock-in Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or 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;

**“Knock-out Determination Day”** means the date(s) as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject, in either case, to the provisions

set forth in Index Certificate Condition 2 (*Market Disruption*). For the purposes of such Condition, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to “Omission”, “Postponement” or “Modified Postponement”, as the case may be, contained in the definition of “Averaging Date” in General Condition 4 shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Knock-out Determination Day”;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-out Event”** means,

- (i) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (ii) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (x) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) “greater than”, (B) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Knock-out Level as specified in the applicable Final Terms;

**“Knock-out Level”** means, in the case of a single Index, (i) the level of the Index or (ii) in the case of a Basket of Indices, the level, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 2 (*Market Disruption*) and Index Certificate Condition 3 (*Adjustments to an Index*);

**“Knock-out Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-out Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; and

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or 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.

## **6. Automatic Early Redemption**

- (a) If “Automatic Early Redemption Event” is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates 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 Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.
- (b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

**“Automatic Early Redemption Amount”** means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) 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, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

**“Automatic Early Redemption Event”** means that (i) in the case of a single Index, the Index Level or (ii) in the case of a basket of Indices, the Basket Price is, (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

**“Automatic Early Redemption Level”** means the level of the Index specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 3 (*Adjustments to an Index*) above;

**“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 as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”;

**“Basket Price”** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Index as the product of (i) the Index Level of such Index on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

**“Index Level”** means, in respect of any Automatic Early Redemption Valuation Date, the level of the Index as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

## ANNEX 2

### ADDITIONAL TERMS AND CONDITIONS FOR SHARE CERTIFICATES

*The terms and conditions applicable to Share Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Share Certificate Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Certificate Conditions, the Share Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Share Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

**“Basket Company”** means a company whose shares are included in the basket of Shares and **“Basket Companies”** means all such companies;

**“Disrupted Day”** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

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

**“Exchange”** means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means either (i) in the case of a single Share, Exchange Business Day (Single Share Basis) or (ii) in the case of a basket of Shares, Exchange Business Day (All Shares Basis) or Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

**“Exchange Business Day (All Shares Basis)”** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time;

**“Exchange Business Day (Per Share Basis)”** means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**“Exchange Business Day (Single Share Basis)”** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their 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, the Share on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange;

**“Related Exchange”** means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

**“Scheduled Trading Day”** means either (i) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (ii) in the case of a basket of Shares, Scheduled Trading Day (All Shares Basis) or Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

**“Scheduled Trading Day (All Shares Basis)”** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

**“Scheduled Trading Day (Per Share Basis)”** means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s);

**“Scheduled Trading Day (Single Share Basis)”** means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in “Valuation Date” or “Averaging Date”, as the case may be:

- (i) in the case of Share Certificates relating to a basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the

relevant Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

- (ii) in the case of Share Certificates relating to a single Share, an amount equal to the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

“**Shares**” and “**Share**” mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Certificates relating to a basket of Shares, each share and, in the case of an issue of Certificates relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

“**Share Company**” means, in the case of an issue of Certificates relating to a single Share, the company that has issued such share; and

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the Share on the Exchange; or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

## 2. Market Disruption

“**Market Disruption Event**” means, in relation to Certificates relating to a single Share or a basket of Shares, in respect of a Share the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which 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.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, or an Observation Date or a Valuation Date.

### 3. Potential Adjustment Events

**“Potential Adjustment Event”** means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing Holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Except as may be limited in the case of U.S. Certificates, following the declaration by the Basket Company or Share Company, as the case may be, 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 Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion 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, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11, stating the adjustment to any Relevant

Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

#### 4. **Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency**

**“De-Listing”** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (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 are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) Holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

**“Merger Date”** means the closing date of a Merger Event or, where 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 any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, 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% of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Certificates, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Certificate or (b) in the case of Physical Delivery Certificates, the relevant Redemption Date.

**“Nationalisation”** means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“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 50% and less than 100% of the outstanding voting shares of the Basket Company or Share Company, as the case may be, 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.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c), (d) (if applicable), (e) or, in the



case of Certificates relating to a basket of Shares only (f) below (except as may be limited in the case of U.S. Certificates):

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Certificates. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange. In addition such adjustment may be made in accordance with the provisions of sub-paragraph (v) below;
- (b) in the case of Share Certificates relating to a basket of Shares redeem the Certificates in part by giving notice to Holders in accordance with General Condition 11. If the Certificates are so redeemed in part the portion (the **"Redeemed Amount"**) of each Certificate representing the affected Share(s) shall be redeemed and the Issuer will (i) pay to each Holder in respect of each Certificate held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation in part. For the avoidance of doubt the remaining part of each Certificate, after such redemption and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11;
- (c) unless Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 11 redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11;
- (d) if Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **"Calculated Additional Disruption Amount"**) as soon as practicable following the occurrence of the relevant event (the **"Calculated Additional Disruption Amount Determination Date"**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the “**Options Exchange**”), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (f) on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-Listing (as the case may be), the Calculation Agent may adjust the basket to include a share selected by it in accordance with the criteria for share selection set out below (each, a “**Substitute Share**”) for each Share (each, an “**Affected Share**”) which is affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-Listing and the Substitute Share and its issuer will be deemed to be a “**Share**” and the relevant issuer of such shares “**Basket Company**” for the purposes of the Certificates, respectively, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B / C)$$

where:

“A” is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

“B” is the Initial Price of the relevant Affected Share; and

“C” is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the basket will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”) in its absolute discretion and specified in the notice referred to in sub-paragraph (c) below which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalisation, Insolvency or De-Listing (as the case may be).

The Weighting of each Substitute Share in the basket will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of the Calculation Agent:

1. is not already included in the basket;

2. the relevant issuer of such share belongs to a similar economic sector as the Basket Company in respect of the Affected Share; and

3. the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

## **5. Correction of Share Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates, is subsequently corrected and the correction published by the relevant Exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

## **6. Knock-in Event and Knock-out Event**

- (a) If **“Knock-in Event”** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (b) If **“Knock-out Event”** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- (d) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the price of the Share triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- (e) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**“Knock-in Event”** means:

- (i) (in the case of a single Share) that the price of the Share determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
  - (ii) (in the case of a Basket of Shares) that the amount determined by the Calculation Agent equal to the sum of the values of the Shares of each Company as the product of (x) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,
- (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-in Price as specified in the applicable Final Terms;

**“Knock-in Price”** means, (i) in case of a single Share, the price per Share or (ii) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Certificate Condition 2 (*Market Disruption*) and as set forth in Share Certificate Condition 3 (*Potential Adjustment Events*) and Share Certificate 4 (*Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*);

**“Knock-in Determination Day”** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions set forth in paragraph Share Certificate Condition 2 (*Market Disruption*). For the purposes of such Condition, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to “Omission”, “Postponement” or “Modified Postponement”, as the case may be, contained in the definition of “Averaging Date” in General Condition 4 shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Knock-in Determination Day”;

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**“Knock-in Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or 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;

**“Knock-out Determination Day”** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions set forth in Share Certificate Condition 2 (*Market Disruption*). For the purposes of such Condition, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of “Valuation Date” set out in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to “Omission”, “Postponement” or “Modified Postponement”, as the case may be, contained in the definition of “Averaging Date” in General Condition 4 shall apply *mutatis mutandis* as if references in such provisions to “Averaging Date” were to “Knock-out Determination Day”;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-out Event”** means:

- (i) (in the case of a single Share) that the price of the Share determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (ii) (in the case of a Basket of Shares) that the amount determined by the Calculation Agent equal to the sum of the values of each Share as the product of (x) the price of such Share as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting,

(A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-out Price as specified in the applicable Final Terms;

**“Knock-out Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-out Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

**“Knock-out Price”** means, (i) in the case of a single Share, the price per Share or (ii) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Certificate Condition 2 (*Market Disruption*) and set forth in Share Certificate Condition 3 (*Potential Adjustment Events*) and Share Certificate Condition 4 (*Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*); and

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or, 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.

## **7. Automatic Early Redemption**

- (a) If **“Automatic Early Redemption Event”** is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates 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 Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

- (b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

**“Automatic Early Redemption Amount”** means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) 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, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

**“Automatic Early Redemption Event”** means that (i) in the case of a single Share, the Share Price or (ii) in the case of a basket of Shares, the Basket Price is, (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

**“Automatic Early Redemption Price”** means the price per Share specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Certificate Condition 3 (*Potential Adjustment Events*) and Share Certificate Condition 4 (*Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*) above;

**“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 as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of “Valuation Date” shall apply *mutatis mutandis* as if references in such provisions to “Valuation Date” were to “Automatic Early Redemption Valuation Date”;

**“Basket Price”** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Share as the product of (i) the Share Price of such Share on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

**“Share Price”** means, in respect of any Automatic Early Redemption Valuation Date, the price per Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

## ANNEX 3

### ADDITIONAL TERMS AND CONDITIONS FOR GDR CERTIFICATES

*The terms and conditions applicable to GDR Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “General Conditions”) and the additional Terms and Conditions set out below (the “GDR Certificate Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the GDR Certificate Conditions, the GDR Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the GDR Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Share Event in Respect of GDR Certificates

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) or (d) set out in Share Certificate Condition 1. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

“Share Event” means each of the following events:

- (i) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (ii) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

#### 2. Potential Adjustment Event

The following additional event shall be added to Share Certificate Condition 3:

a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares].

#### 3. General

Save where specifically provided under the Final Terms, all provisions of the Conditions which relate to Share Certificates (including, *inter alia*, the Share Certificate Conditions), if relevant, shall be applicable to GDR Certificates as if references therein to the “Shares” were to the GDRs and/or the Underlying Shares, references to the “Share Company” or “Basket Company”, as applicable, were to the issuer of the GDRs and the issuer of the Underlying Shares and references to the “Exchange” were to the exchange or quotation system on which the GDRs are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Certificates.

## ANNEX 4

### ADDITIONAL TERMS AND CONDITIONS FOR DEBT CERTIFICATES

*The terms and conditions applicable to Debt Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “General Conditions”) and the additional Terms and Conditions set out below (the “Debt Certificate Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Debt Certificate Conditions, the Debt Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Debt Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Settlement Price

“**Settlement Price**” means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject as referred to in “Valuation Date” or “Averaging Date” above:

- (i) in the case of Debt Certificates relating to a basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Weighting; and
- (ii) in the case of Debt Certificates relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security.

#### 2. Market Disruption

“**Market Disruption Event**” shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 that a Market Disruption Event has occurred.

#### 3. Correction of Debt Security Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates, if the price of the relevant Debt Security published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the



price to be used shall be the price of the relevant Debt Security as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

## ANNEX 5

### ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY CERTIFICATES

*The terms and conditions applicable to Commodity Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Commodity Certificate Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Certificate Conditions, the Commodity Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Commodity Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

“**Commodity**” means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly;

“**Commodity Business Day**” means:

- (i) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
- (ii) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price;

“**Commodity Fallback Value**” means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent;

“**Commodity Index**” means an index comprising one or more commodities or commodity futures contracts (each a “**Component**”);

“**Commodity Reference Price**” means, in respect of any Commodity or the Commodity Index, the price specified in the applicable Final Terms;

“**Component Futures**” means, at any time, the futures contracts used by the Price Source at such time to calculate the Commodity Reference Price (each a “**Component Future**”);

“**Disappearance of Commodity Reference Price**” means (i) the permanent discontinuation of trading, in the relevant Commodity or in the case of a Commodity Index, Component on the relevant Exchange or (ii) the disappearance of, or of trading in, the relevant Commodity or Component or (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Commodity or Component;

**“Exchange”** means, in relation to a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Relevant Price;

**“Index Component Disruption Event”** means:

- (i) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Component Futures published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (ii) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Component Futures published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

**“Material Change in Formula”** means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price;

**“Material Change in Content”** means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or, in the case of a Commodity Index, Component;

**“Price Source”** means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Relevant Price (or prices from which the Relevant Price is calculated) specified in the relevant Commodity Reference Price;

**“Price Source Disruption”** means (i) the failure of the Price Source to announce or publish the Relevant Price (or the information necessary for determining the Relevant Price) for the relevant Commodity Reference Price, or (ii) the temporary or permanent discontinuance or unavailability of the Price Source;

**“Pricing Date”** means each date specified in the Final Terms or if that is not a Commodity Business Day the immediately succeeding Commodity Business Day;

**“Reference Dealers”** means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

**“Relevant Price”** means, in respect of any Commodity or Commodity Index and a day, the Commodity Reference Price in respect of such Commodity or such Commodity Index, as the case may be, on such day;

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject as provided in this Annex and as referred to in “Valuation Date” or “Averaging Date”, as the case may be:

- (i) in the case of Commodity Certificates relating to a basket of Commodities or Commodity Indices, an amount equal to the sum of the values calculated for each Commodity or Commodity Index, as the case may be, as the Relevant Price for each Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

- (ii) in the case of Commodity Certificates relating to a single Commodity or Commodity Index, an amount equal to the Relevant Price of the Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

**“Specified Maximum Days of Disruption”** means two (2) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

**“Tax Disruption”** means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity or in the case of a Commodity Index, Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal;

**“Trading Disruption”** means the material suspension of, or the material limitation imposed on, trading in the relevant Commodity or in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (i) a suspension of the trading in the Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
  - (a) all trading in the Commodity or Component, as the case may be, is suspended for the entire Pricing Date; or
  - (b) all trading in the Commodity or Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Commodity or Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (ii) a limitation of trading in the relevant Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Commodity or Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Commodity or Component, as the case may be, on such day is at the upper or lower limit of that range.

## 2. Market Disruption

**“Market Disruption Event”** means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (i) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (ii) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (iii) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Condition 11, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

### 3. Disruption Fallbacks

“**Disruption Fallback**” means a source or method specified in the applicable Final Terms as giving rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source).

- (a) Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content

If, with respect to the relevant Pricing Date, the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content, then

- (i) the Calculation Agent shall determine if such event has a material effect on the Certificates and, if so, shall calculate the relevant Interest Amount and/or Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
  - (ii) unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 11, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of such Certificate, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 11; or
  - (iii) if Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Market Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the “**Calculated Market Disruption Amount**”) as soon as practicable following the occurrence of the Market Disruption Event (the “**Calculated Market Disruption Amount Determination Date**”) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Market Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.
- (b) Tax Disruption

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax Disruption has a material effect on the Certificates and if so (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Certificates or, if it determines that such adjustments cannot be made, (ii) on giving notice to Holders in accordance with General Condition 11, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 11.

(c) **Price Source Disruption and Trading Disruption**

If, with respect to the relevant Pricing Date, a Price Source Disruption or Trading Disruption has been in existence in excess of the Specified Maximum Days of Disruption and no Successor Commodity Price is available in respect of such Pricing Date, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Commodity Reference Price.

(d) **Index Component Disruption**

If the Calculation Agent determines that, on a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Pricing Date and each subsequent Pricing Date (if any).

The relevant Final Terms may specify any Additional Disruption Fallback(s) that will apply.

**4. Correction of Commodity Reference Price**

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Certificates, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Certificates will be disregarded by the Calculation Agent for the purposes of determining the relevant amount]

**5. Knock-in-Event and Knock-out Event**

- (a) If “**Knock-in Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (b) If “**Knock-out Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- (d) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- (e) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**“Knock-in Determination Day”** means the date(s) specified as such in the applicable Final Terms;

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**“Knock-in Event”** means (i) in the case of a single Commodity, that the Commodity Reference Price determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Commodity as the product of (x) the Relevant Price as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-in Level as specified in the applicable Final Terms;

**“Knock-in Level”** means (i) in the case of a single Commodity, the Relevant Price or (ii) in case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 2 (*Market Disruption*) and Commodity Certificate Condition 3 (*Disruption Fallbacks*);

**“Knock-in Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

**“Knock-in Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or 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;

**“Knock-out Determination Day”** means the date(s) specified as such in the applicable Final Terms;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-out Event”** means (i) in the case of a single Commodity, that the Relevant Price determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (ii) in the case of a Basket of Commodities, that the amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (x) the Commodity Reference Price as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-out Level as specified in the applicable Final Terms;

**“Knock-out Level”** means (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 2 (*Market Disruption*), Commodity Certificate 3 (*Disruption Fallbacks*) and Commodity Certificate Condition 4 (*Adjustments to a Commodity Reference Price*);

**“Knock-out Period Beginning Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Commodity Business Day Convention is specified as applicable in the

applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day;

**“Knock-out Period Ending Date”** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Commodity Business Day Convention is specified as applicable in the applicable Final Terms and such date is not a Commodity Business Day, the next following Commodity Business Day; and

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or 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.

## 6. Automatic Early Redemption

(a) If **“Automatic Early Redemption Event”** is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates 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 Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

**“Automatic Early Redemption Amount”** means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) 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, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

**“Automatic Early Redemption Event”** means that (i) in the case of a single Commodity, the Relevant Price or (ii) in the case of a basket of Commodities, the Basket Price is, (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Automatic Early Redemption Price as specified in the Final Terms;

**“Automatic Early Redemption Price”** means the price per Commodity specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 3 (Disruption Fallbacks) above;

**“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; and

**“Basket Price”** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (i) the Relevant Price of such Commodity on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.





## ANNEX 6

### ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX CERTIFICATES

*The terms and conditions applicable to Inflation Index Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “General Conditions”) and the additional Terms and Conditions set out below (the “Inflation Index Certificate Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Inflation Index Certificate Conditions, the Inflation Index Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Inflation Index Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

**“Cut-Off Date”** means, in respect of a Valuation Date, five Business Days prior to such Valuation Date;

**“Delayed Index Level Event”** means, in respect of any Valuation Date, that the Index Sponsor fails to publish or announce the Relevant Level;

**“Fallback Bond”** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a Cash Settlement Amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (i) the same day as the Redemption Date, (ii) the next longest maturity after the Redemption Date if there is no such bond maturing on the Redemption Date, or (iii) the next shortest maturity before the Redemption Date if no bond defined in (i) or (ii) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or Cash Settlement Amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

**“Index Cancellation”** means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor Index exists;

**“Index Modification”** means, in relation to an Inflation Index, the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Inflation Index or in any other way materially modifies the Inflation Index;]

**“Index Sponsor”** means the entity that publishes or announces (directly or through an agent) the level of the Inflation Index which as of the Issue Date of the Certificates is the index sponsor set out in the applicable Final Terms;

**“Inflation Index”** or **“Inflation Indices”** means the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly;

**“Rebased Index”** has the meaning given to it under Inflation Index Certificate Condition 4 (*Adjustments*) below;

**“Reference Month”** means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Reference Level was reported;

**“Related Bond”** means the bond specified as such in the relevant Final Terms. If the Related Bond specified in the applicable Final Terms is “Fallback Bond”, then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and “Fallback Bond: Not Applicable” is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Redemption Date, unless “Fallback Bond: Not Applicable” is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

**“Related Bond Redemption Event”** means, if specified as applicable in the relevant Final Terms, at any time prior to the Redemption Date, (i) the Related Bond is settled, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

**“Relevant Level”** means, in respect of any Valuation Date, the level of the Inflation Index, in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Redemption Date, at any time on or prior to the Cut-Off Date;

**“Settlement Price”** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, the Relevant Level;

**“Successor Inflation Index”** has the meaning given to it in Inflation Index Certificate Condition 3 (*Successor Inflation Index*) below; and

**“Substitute Inflation Index Level”** means, in respect of a Delayed Index Level Event, the Index Level determined by the Issuer in accordance with Inflation Index Certificate Condition 2 (*Delay in Publication*) below; and

## **2. Delay in Publication**

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Valuation Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Valuation Date (the **“Substitute Inflation Index Level”**) shall be determined by the Calculation Agent (subject to Inflation Index Certificate Condition 4 (B) (*Substitute Inflation Index Level*) below, as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (b) if (i) Related Bond is specified as not applicable in the relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:
  - (i)  $\text{Substitute Inflation Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level})$ ; or
  - (ii) otherwise in accordance with any formula specified in the relevant Final Terms,

where:

**“Base Level”** means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined;

**“Latest Level”** means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined; and

**“Reference Level”** means the level of the Inflation Index (excluding any “flash” estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall promptly give notice to the Holders in accordance with General Condition 11 of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Index Certificate Condition 2 will be the definitive level for that Reference Month.

### 3. Successor Inflation Index

If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a successor index (a **“Successor Inflation Index”**) (in lieu of any previously applicable Index) for the purposes of the Certificates as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a “Successor Inflation Index” by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if (i) Related Bond is specified as not applicable in the applicable Final Terms or (ii) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a “Successor Inflation Index”;
- (c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the “Successor Inflation Index”; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the “Successor Inflation Index”; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a “Successor Inflation Index”; or
- (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Index for the purposes of the Inflation Index Certificates. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to holders of the Inflation Index Certificates by the Issuer in accordance with General Condition 11.

#### 4. Adjustments

##### (A) Successor Inflation Index

If a Successor Inflation Index is determined in accordance with Inflation Index Certificate Condition 3 (*Successor Inflation Index*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to the final Cash Settlement Amount payable under the Certificates (if any) and/or any other relevant term of the Certificates as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with General Condition 11.

##### (B) Substitute Inflation Index Level

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Index Certificate Condition 2 (*Delay in Publication*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (i) the Substitute Inflation Index Level determined in accordance with Inflation Index Certificate Condition 2 (*Delay in Publication*) above and/or (ii) the Interest Amount and/or Cash Settlement Amount payable under the Certificates (if any) and/or any other relevant term of the Certificates, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with General Condition 11.

##### (C) Index Level Adjustment Correction

- (i) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index Certificate Condition 4(F) (*Index Modification*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Valuation Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Holders of any valid revision in accordance with General Condition 11.
- (ii) If, within thirty days of publication or at any time prior to a Valuation Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Valuation Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any relevant Interest Amount and/or the Cash Settlement Amount payable under the Certificates (if any) and/or any other relevant term of the Certificates as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Holders of any such adjustment and/or amount in accordance with General Condition 11.
- (iii) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Valuation Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (a) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Index Certificates and that the Substitute Inflation Index Level shall

be deemed to be the definitive Relevant Level for the relevant Reference Month, or (b) to make any adjustment to any relevant Interest Amount and/or the Cash Settlement Amount payable under the Certificates (if any) and/or any other relevant term of the Certificates as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Holders of any determination in respect of (a) or (b), together with any adjustment or amount in respect thereof, in accordance with General Condition 11.

(D) 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 Cash Settlement Amount and/or any other relevant term of the Certificates (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to any relevant Interest Amount and/or the Cash Settlement Amount and/or any other relevant term of the Certificates as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with General Condition 11.]

(E) Rebasing

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (i) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (ii) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to any relevant Interest Amount and/or the Cash Settlement Amount payable under the Certificates (if any) and/or any other term of the Certificates as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (i) nor (ii) above would produce a commercially reasonable result, the Issuer may redeem each Certificate on a date notified by the Issuer to Holders in accordance with General Condition 11 in which event the Issuer will pay to each Holder in respect of each such Certificate, held by him an amount equal to the fair market value of a Certificate, as determined by the Calculation Agent as at the date of cancellation taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, cancellation of the Certificates or determination pursuant to this paragraph shall be given to Holders in accordance with General Condition 11.

(F) Index Modification

- (i) If on or prior to the Cut-Off Date in respect of any Valuation Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (a) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Certificates (including, without limitation, the Cash Settlement Amount payable under the Certificates), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (b) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Inflation Index Certificates (including, without limitation, any relevant Interest Amount and/or the Cash

Settlement Amount payable under the Certificates), as the Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.

- (ii) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Valuation Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Valuation Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Interest Payment Date and/or Redemption Date, as the case may be, such that the provisions of sub-paragraph (i) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (i) above.

(G) Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may:

- (i) elect for the Calculation Agent to calculate the relevant Interest Amount and/or Settlement Price using, in lieu of a published level for that Inflation Index, the level for that Inflation Index, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Inflation Index last in effect prior to cancellation;
- (ii) redeem all but not some only of the Certificates on the date notified by the Issuer to Holders in accordance with General Condition 11 in which event the Issuer will pay to each Holder in respect of such Certificate held by him an amount equal to fair market value of a Certificate, as determined by the Calculation Agent as at the date of cancellation taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any cancellation of the Certificates pursuant to this paragraph shall be given to Holders in accordance with General Condition 11.

## ANNEX 7

### ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY CERTIFICATES

*The terms and conditions applicable to Currency Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “General Conditions”) and the additional Terms and Conditions set out below (the “Currency Certificate Conditions”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Currency Certificate Conditions, the Currency Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Currency Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Settlement Price

“**Settlement Price**” means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate:

- (i) in the case of Currency Certificates relating to a basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Weighting; and
- (ii) in the case of Currency Certificates relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent).

#### 2. Knock-in Event and Knock-out Event

- (a) If “**Knock-in Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (b) If “**Knock-out Event**” is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (c) Definitions relating to Knock-in Event/Knock-out Event



Unless otherwise specified in the applicable Final Terms:

**“Knock-in Determination Day”** means the date(s) specified as such in the applicable Final Terms;

**“Knock-in Determination Period”** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

**“Knock-in Event”** means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is, (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-in Level as specified in the applicable Final Terms;

**“Knock-in Level”** means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

**“Knock-in Period Beginning Date”** means the date specified as such in the applicable Final Terms;

**“Knock-in Period Ending Date”** means the date specified as such in the applicable Final Terms;

**“Knock-in Valuation Time”** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or 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;

**“Knock-out Determination Day”** means the date(s) as specified as such in the applicable Final Terms;

**“Knock-out Determination Period”** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

**“Knock-out Event”** means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is, (A) “greater than”, (B) “greater than or equal to”, (C) “less than” or (D) “less than or equal to” the Knock-out Level as specified in the applicable Final Terms;

**“Knock-out Level”** means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

**“Knock-out Period Beginning Date”** means the date specified as such in the applicable Final Terms;

**“Knock-out Period Ending Date”** means the date specified as such in the applicable Final Terms; and

**“Knock-out Valuation Time”** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or 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.

## ANNEX 8

### ADDITIONAL TERMS AND CONDITIONS FOR FUND CERTIFICATES

*The terms and conditions applicable to Fund Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Fund Certificate Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Fund Certificate Conditions, the Fund Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Fund Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

“**Additional Extraordinary Fund Event**” has the meaning given to it in the applicable Final Terms.

“**Fund**” means the Fund or Funds specified in the applicable Final Terms.

“**Fund Documents**” means the prospectus, information memorandum and/or offering circular issued by the Fund in respect of the Shares and the constitutional documents of the Fund in each case specified in the applicable Final Terms.

“**Fund Share(s)**” means the shares, units or other similar interests in the Fund specified in the applicable Final Terms.

“**Hedge Provider**” such party as may from time to time hedge the Issuer’s payment obligations in respect of the Certificates. The Hedge Provider may be, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party holding Fund Shares or entering into any agreement to purchase or deliver, or pay an amount linked to the performance of the Fund Shares.

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“**NAV Barrier**” has the meaning given to it in the applicable Final Terms or its equivalent in another currency.

“**Net Asset Value per Fund Share**” means the net asset value (howsoever such term is defined in the Fund Documents) per Fund Share.

“**Number of NAV Publication Days**” has the meaning given to it in the applicable Final Terms.

#### 2. Extraordinary Fund Events

“**Extraordinary Fund Event**” means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (a) the Fund or the investment advisor, investment manager or sub-manager (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting

creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in 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; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has 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 (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (v) above;

- (b) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, the investment advisor, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Certificates;
- (c) any of the administrator, the custodian, the fund paying agent, the fund transfer agent, the domiciliary agent, the investment adviser and investment manager or sub-manager or other agents or the entities fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (d) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (e) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the Net Asset Value per Fund Share or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund (including, without limitation, the suspension of the Net Asset Value per Fund Share), in each case other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relate (either alone or in common with other Fund Shares issued by the Fund);
- (f) the investment advisor, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (g) (i) the occurrence of any event affecting the Fund Shares 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 Shares, and such event continues for at least 10 Business Days; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Shares;

- (h) any of the Fund, the administrator or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the Net Asset Value per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Share unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (i) any relevant activities of or in relation to the Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund or the investment adviser, manager or sub-manager thereof, (iii) the Fund is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Notes;
- (j) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares submitted by the Hedge Provider (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Certificates, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdictions legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares) as described in the Fund Documents], (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Certificates] or (vi) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason];
- (k) the aggregate net asset value of the Fund falls below the NAV Barrier;
- (l) any proposal to wind up the Fund or the Fund ceases to exist or] there exists any litigation against the Fund or the investment advisor, investment manager or sub-managers which in the determination of the Calculation Agent could materially affect the value of the Fund Shares;
- (m) the currency denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (n) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Certificates, (a "**Tax Event**") and, subject as provided below, the Issuer or the Hedge Provider has, for a period of 20 Business Days following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in

sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;

- (o) in connection with any hedging activities in relation to the Certificates, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a “**Relevant Event**”) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a Fund Share holder of the Fund or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of 5 Business Days following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of 5 Business Days set out above shall be deemed satisfied on any date it is or becomes at any time that there is no means of mitigating the Relevant Event; or
- (p) in connection with the hedging activities in relation to the Certificates, if the cost to the Issuer or the Hedge Provider in relation to the Notes would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss, in each case following any action or inaction by the Fund, the investment advisor, investment manager or sub-manager relating to the Certificates.

### **3. Consequences of a Extraordinary Fund Event**

Following the occurrence of an Extraordinary Fund Event, the Calculation Agent shall take the action set out in the applicable Final Terms which may include, *inter alia*, adjusting or cancelling the Certificates or substituting the affected Fund Shares.

Upon determining any such adjustment, cancellation or substitution, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

## ANNEX 9

### ADDITIONAL TERMS AND CONDITIONS FOR MARKET ACCESS CERTIFICATES

*The terms and conditions applicable to Market Access Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the “**General Conditions**”) and the additional Terms and Conditions set out below (the “**Market Access Certificate Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Market Access Certificate Conditions, the Market Access Certificate Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Market Access Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Interim Payment Amount/Interim Coupon Amount

If so specified in the applicable Final Terms, the following provisions shall apply:

- (a) The Issuer will pay an amount in cash in respect of each Certificate equal to any then unpaid Interim Payment Amount or Interim Coupon Amount in accordance with this Market Access Certificate Condition 1.
- (b) The Issuer will, or will cause the Calculation Agent to (i) provide written notice to the Principal Certificate Agent, on or prior to 10.30 a.m. Brussels or Luxembourg time (as appropriate), on the Business Day immediately succeeding the date any Applicable Cash Dividend Amount or any Applicable Cash Coupon Amount, or any Applicable Cash Distribution Amount, as applicable, is received by a Qualified Investor entitled to receive it, of the Interim Payment Amount or the Interim Coupon Amount to be paid with respect to each Certificate in relation thereto, and (ii) pay such Interim Payment Amount or the Interim Coupon Amount to the Agent in time for payment to the Holders on the Interim Payment Date or the Interim Coupon Date, as applicable.
- (c) Payment of an Interim Payment Amount or an Interim Coupon Amount shall be made to the Holder on the applicable Interim Payment Date or Interim Coupon Date. If the Share Company or the Basket Company or the Security Issuer, as applicable, fails to deliver to a Qualified Investor entitled to receive it any Applicable Cash Dividend Amount or any Applicable Cash Coupon Amount or any Applicable Cash Distribution Amount, as applicable, before the 120th day after the earliest of any Actual Exercise Date and the Expiration Date (the “**Applicable Cash Dividend Failure Date**” or “**Applicable Cash Coupon Failure Date**” or “**Applicable Cash Distribution Failure Date**”), the Holders will receive no payment in respect of any such unpaid Applicable Cash Dividend Amount or Applicable Cash Coupon Amount or any Applicable Cash Distribution Amount, and the Issuer will, or will cause the Calculation Agent to, provide written notice to the Agent promptly after such Applicable Cash Dividend Failure Date or the Applicable Cash Coupon Failure Date or the Applicable Cash Distribution Failure Date.
- (d) The Calculation Agent will determine the Interim Payment Amount or the Interim Coupon Amount, if any, of the Certificates in its discretion acting in good faith and in a commercially reasonable manner.
- (e) Definitions relating to Interim Payment Amount/Interim Coupon Amount

Unless otherwise specified in the applicable Final Terms:

“**Applicable Cash Coupon Amount**” shall mean the net cash coupon on one Debt Security, paid to a Qualified Investor entitled to receive it in respect of any single declaration of cash interests, expressed in the Settlement Currency as determined by the Calculation Agent, the Coupon Payment Dates for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on

the Redemption Date or any earlier date on which the relevant Certificate becomes due for redemption in respect of Certificates held through Euroclear and/or Clearstream, Luxembourg;

**“Applicable Cash Distribution Amount”** shall mean the (i) net cash distribution or (ii) net sale proceeds of any property in respect of one Share, paid to a Qualified Investor entitled to receive it in respect of any single cash distribution or sale, expressed in the Settlement Currency as determined by the Calculation Agent, the record or effective date for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Redemption Date or any earlier date on which the relevant Certificate becomes due for redemption in respect of Certificates held through Euroclear and/or Clearstream, Luxembourg;

**“Applicable Cash Dividend Amount”** shall mean the net cash dividend on one Share, paid to a Qualified Investor entitled to receive it in respect of any single declaration of cash dividends, expressed in the Settlement Currency as determined by the Calculation Agent, the ex-dividend date for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Redemption Date or any earlier date on which the relevant Certificate becomes due for redemption in respect of Certificates held through Euroclear and/or Clearstream, Luxembourg;

**“Coupon Payment Dates”** means the dates falling after the Issue Date on which the Security Issuer is scheduled to pay interest on the Debt Securities, which is specified in the Final Terms;

**“Debt Securities Amount”** means, subject to adjustment in accordance with Annex 4, the number of underlying Debt Securities per Security as specified in the Final Terms;

**“Interim Coupon Amount”** shall mean an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Coupon Amount and (b) the Debt Securities Amount applicable on the relevant Coupon Payment Date (net of any and all withholding taxes based upon the maximum statutory rates (or any other rate specified in the Final Terms) applicable to a Qualified Investor in connection with the receipt of such interest);

**“Interim Coupon Date”** means the fifth Business Day following the date the relevant Applicable Cash Coupon Amount is received by a Qualified Investor entitled to receive it;

**“Interim Payment Amount”** shall mean an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Dividend Amount or any Applicable Cash Distribution Amount, as applicable, and (b) the Share Amount applicable on the relevant ex-dividend date (or in the case of GDR Certificates, the Share Amount applicable on the relevant record date in respect of the Shares (net of any and all withholding taxes based upon the maximum statutory rates (or any other rate specified in the Final Terms) applicable to a Qualified Investor in connection with the receipt of such dividends or distributions);

**“Interim Payment Date”** means the fifth Business Day following the date the relevant Applicable Cash Dividend Amount or Applicable Cash Distribution Amount, as applicable, is received by a Qualified Investor entitled to receive it; and

**“Share Amount”** shall mean, subject to adjustment in accordance with Annex 2, the number of underlying Shares per Certificate as specified in the Final Terms.

## **2. Potential Adjustment Event**

If so specified in the applicable Final Terms, Share Certificate Condition 3 shall be amended by the addition of the following at the end of the penultimate paragraph:

Any adjustment to the terms of the Certificates following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Issuer or any of their

relevant affiliates or a Qualified Investor charged on subscription, acquisition or receipt (sale or disposal) of any Shares or other securities received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Calculation Agent in good faith. In respect of an event as set out in paragraph (h) of the definition of Potential Adjustment Event (as amended by GDR Certificate Condition 2), in lieu of making any adjustment to the terms of the Certificates, the Issuer or a Qualified Investor may exercise its discretion to sell any or all of the property a holder of the Shares should receive and pass the net sale proceeds to the Holders instead in accordance with Share Certificate Condition 3.

### 3. Stock Dividends or Stock Distributions and Rights Issues

If so specified in the Final Terms, the following provisions shall apply:

- (a) In the event that a stock dividend in respect of the Shares or dividend in the form of Shares (a “**Stock Dividend**”) is declared by the Share Company or the Basket Company, as applicable, during the period from and including the Issue Date to but excluding the Expiration Date, (or in the case of GDR Certificates, in the event that there has been any stock distribution (a “**Stock Distribution**”) in respect of the Underlying Shares the record or effective date of which falls during the period from and including the Issue Date to but excluding the Redemption Date or any earlier date on which the relevant Certificates become due for redemption), in lieu of making an adjustment to the Certificates, the Issuer may issue an amount of further Certificates (the “**Further Certificates**”) to the holder of Certificates that would receive such Stock Dividend or Stock Distribution according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Stock Dividend (or in the case of GDR Certificates relating, on the Business Day preceding the record or effective date in relation to such Stock Distribution) (if such holder of Certificate had been the buyer in such sale) to reflect the issue of the Stock Dividend or Stock Distribution (as adjusted for any withholding tax or charges) notwithstanding that such person may not be the holder of the Certificate as of the date on which the Further Certificates are issued. Further Certificates issued pursuant to this paragraph may be issued to the holders of the Certificates free of charge or at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.
- (b) In addition, in the event that a rights issue (a “**Rights Issue**”) in respect of the Shares is declared by the Share Company or the Basket Company during the period from and including the Issue Date to but excluding the Redemption Date or any earlier date on which the relevant Certificates become due for redemption, in lieu of making an adjustment to the Certificates, the Issuer may issue an amount of Further Certificates to the holder of the Certificate that would receive such Rights Issue according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Rights Issue (or in the case of GDR Certificates, on the Business Day preceding the record or effective date in relation to such Rights Issue) (if such holder of Certificate had been the buyer in such sale) to reflect the Rights Issue (as adjusted for any withholding tax or charges) notwithstanding that such person may not be the holder of the Certificate as of the date on which the Further Certificates are issued. Further Certificates issued pursuant to this paragraph may be issued to the holders of the Certificates at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.
- (c) The Issuer may issue the Further Certificates, if any, to the relevant person five Business Days following the day on which a foreign investor would have received the relevant Stock Dividends or Shares upon exercise of the Rights Issue or such later date as the Calculation Agent shall determine in its sole discretion. Any determination by the Calculation Agent in respect of the persons to whom the Further Certificates should be issued shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the holders of Certificates.



- (d) If a Holder holds more than one Certificate, the number of Certificates held by such Holder may be aggregated for the purposes of determining the number of Further Certificates to be issued to such Holder pursuant to the above.
- (e) In the event that any Further Certificates are to be issued at an issue price, no Holder will be obliged to purchase such Further Certificates but if such Further Certificates are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Holder in respect of such Stock Dividend or Rights Issue, as the case may be.
- (f) Upon the declaration of a Stock Dividend or a Rights Issue by the Share Company or the Basket Company and the election by the Issuer to issue Further Certificates, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the declaration of the Stock Dividend or the Rights Issue, the election by the Issuer to issue Further Certificates and giving details thereof.

#### 4. Issuer's option following an Additional Disruption Event

If so specified in the applicable Final Terms, the following provisions shall apply:

##### (a) Issuer's Option following Additional Disruption Event

Upon the occurrence of any event that constitutes more than one of an Additional Disruption Event or a Market Disruption Event, the Calculation Agent shall have sole discretion to determine which one or more of such events it shall be deemed to constitute. The Calculation Agent shall act in good faith in making such determination.

If the Issuer decides to give notice to holders of Certificates of the occurrence of an Additional Disruption Event, it shall state in such notice whether the Certificates will be redeemed (in whole or in part) pursuant to Market Access Certificate Condition 4(b) below or whether the Issuer's obligations under the Certificates will be suspended pursuant to Market Access Certificate Condition 4(c) below. If the Issuer elects to give notice to holders of Certificates of a suspension of its obligations under the Certificates pursuant to Market Access Certificate Condition 4(c) below, the Issuer shall nevertheless retain the right at all times to redeem the Certificates pursuant to Market Access Certificate Condition 4(b) below by giving notice to Holders in accordance with General Condition 11.

##### (b) Termination

Upon the Issuer's election to redeem the Certificates as aforesaid (or upon expiry of the 30 day period referred to in paragraph (c) below), the Issuer will, in respect of each and every Certificate redeemed (the "**Redeemed Certificate**") cause to be paid to the holders of Certificates an amount determined to be the fair market value of the Redeemed Certificate as at redemption (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including the circumstances that resulted in the occurrence of the Additional Disruption Event) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements (including but not limited to selling or otherwise realising the Shares or the Debt Securities or any options or futures contracts in relation to the Shares or the Debt Securities), all as determined by the Calculation Agent in its discretion acting in good faith and in a commercially reasonable manner]. At the election of the Issuer such payment may be made in the Local Currency in the Relevant Jurisdiction, in which case the holders of Certificates will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable or unlawful for the Issuer to pay such amount in the Relevant Jurisdiction, or the relevant holders of Certificates do not establish the necessary account in the Relevant Jurisdiction, to receive payment(s) in the currency the Issuer elects, the Issuer shall not be obliged to make payment of any such amounts so affected, as applicable.

Payment will be made, as the case may be, in such manner as shall be notified to the holders of Certificates in accordance with General Condition 11.

(c) Suspension

Upon the Issuer's election to suspend the Certificates, the Issuer's obligations in respect of the Certificates may be suspended up until the 10th day after such Additional Disruption Event shall cease to exist. In the event that such date shall not have arisen before the date which falls thirty days after the Redemption Date or any earlier date on which the Certificates become due for redemption, the Certificates shall be redeemed pursuant to paragraph (b) above.

(d) Conclusive Determination

All determinations made by the Issuer and/or Calculation Agent pursuant to this Market Access Certificate Condition 4 shall be conclusive and binding on the Holders and the Issuer. No holders of Certificates will be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of an Additional Disruption Event.

## 5. Regulatory Change Event

If so specified in the applicable Final Terms, the following provisions shall apply:

Upon the occurrence of a Regulatory Change Event, the Calculation Agent will (a) make the corresponding adjustment, if any, to any one or more of any Share Amount and/or the Cash Settlement Amount and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the effect of such Regulatory Change Event and (b) determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11, stating the adjustment to any Share Amount and/or the Cash Settlement Amount and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms and giving brief details of the Regulatory Change Event.

**"Regulatory Change Event"** means any event which, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, constitutes:

- (1) the adoption of, change in or change in the interpretation or administration of, any law, rule or regulation by any governmental authority, central bank or comparable agency ("governmental authority"); and/or
- (2) the compliance by the Issuer and/or any of its affiliates with any request or directive of any governmental authority (whether or not having the force of law),

and which (1) imposes, modifies, applies or eliminates any tax, reserve, special deposit, insurance assessment or any other requirement in respect of assets or deposits of the Issuer and/or any of its affiliates in respect of (i) issue and/or redemption of the Certificates or (ii) any transaction entered into by the Issuer and/or any of its affiliates to hedge, either directly or indirectly, the obligations of the Issuer in respect of the Certificates; and/or (2) affects in any other way the cost to the Issuer and/or any of its affiliates of: (i) the issue and/or redemption of Certificates; and/or (ii) hedging, either directly or indirectly, the obligations of the Issuer in respect of the Certificates.

## 6. Early Redemption Event

If so specified in the applicable Final Terms, the following provisions shall apply:

- (a) In the event that in the determination of the Calculation Agent, the Debt Securities (in whole or in part) (x) become due and repayable by reason of a default in payment, an event of default or any similar credit event of the Security Issuer, or (y) become due and repayable on a date prior to its maturity date (other than by reason of any default), or (z) become subject to conversion into underlying shares or stock (each an “**Early Redemption Event**”), the Issuer will be entitled to:
  - (i) redeem the Certificates by giving notice to the Holders in accordance with General Condition 11 and pay the Debt Securities Early Redemption Amount to each Holder in respect of each Certificate on the Early Termination Date; or
  - (ii) in relation to a redemption and/or conversion in part of the Debt Securities (a “**Partial Early Redemption**”), require the Calculation Agent to determine whether such partial redemption and/or conversion affects the Debt Securities held by the Issuer and/or its affiliates in order to hedge the Issuer’s obligations in respect of the Certificates (the “**Aggregate Hedge Position**”) or otherwise makes it impossible, impracticable or unduly onerous for the Issuer and/or its affiliates to hedge the Issuer’s obligations in respect of the Certificates and, if so, gives notice to the Holders in accordance with General Condition 11,

and:

- (i) pay the Debt Securities Early Redemption Amount to each Holder in respect of each Certificate held by him on the Early Termination Date; and/or
- (ii) reduce the Debt Securities Amount by an amount equal to the Affected Portion and/or require the Calculation Agent to determine in its sole discretion the appropriate adjustment, if any, to be made to any one or more of the Settlement Price and/or any of the other terms of these Conditions and/or the Final Terms to account for such payment and determine the effective date of that adjustment.

Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11.

### (b) Definitions

For the purposes of this Market Access Certificate Condition 6:

“**Debt Securities Early Redemption Date**” means the date falling four Business Days after the date on which the Debt Securities Early Redemption Amount is determined.

“**Debt Securities Early Redemption Securities Amount**” means (a) in the case of Market Access Certificate Condition 6(a), the Debt Securities Amount and (b) in the case of Market Access Certificate Condition 6(a), each Certificate’s pro rata portion (the Affected Portion) of the nominal amount of Debt Securities comprising the Aggregate Hedge Position affected by the Partial Early Redemption, all as determined by the Calculation Agent in its sole and absolute discretion.

- (i) Securities Amount (net of any costs) which the Issuer or its affiliate obtains in selling or otherwise realising the underlying shares or stock after conversion (the “**Shares**”),

such resulting amount to be converted into the Settlement Currency at the Exchange Rate.

**“Early Termination Amount”** means, in respect of each Certificate, an amount calculated by the Calculation Agent equal to the arithmetic average price per Debt Securities Early Redemption Securities Amount (net of any costs) which the Issuer or its affiliate obtains in selling or otherwise realising the Debt Securities (the **“Sale Proceeds”**), provided however that,

- (i) if Market Access Certificate Condition 6(a)(i) applies in respect of the Certificates, the Issuer may elect to pay, in lieu of the Sale Proceeds, the amount of principal which a Qualified Investor would have received pursuant to the terms of the Debt Securities as a result of the Debt Securities Early Redemption Event if it held the Debt Securities Early Redemption Securities Amount (net of any costs, including those that would have been withheld in relation to payment of such cash amount to a Qualified Investor); or

if Market Access Certificate Condition 6(a)(ii) applies in respect of the Certificates, the Issuer may elect to pay, in lieu of the Sale Proceeds, the arithmetic average price per Debt Securities Early Redemption

## **7. Additional Condition**

If so specified in the applicable Final Terms, the following provisions shall apply:

The Issuer may modify or amend these Terms and Conditions of the Certificates or the applicable Final Terms without the consent of the Holders in any manner which the Issuer may deem necessary or desirable for the purpose of obtaining listing of the Certificates on the Official List of the Luxembourg Stock Exchange and admission to trading on the regulated market (Bourse de Luxembourg) of the Luxembourg Stock Exchange as promptly as practicable provided that any such modification or amendment is not materially prejudicial to the Holders.

## **8. Certificates linked to underlying shares that are yet to be listed**

If so specified in the applicable Final Terms, the following provisions shall apply:

The Issuer may, by notice to the Holders in accordance with General Condition 11, redeem all but not some only of the Certificates if, upon the expiration of three months after the Expected Listing Date (as specified in the Final Terms), the Shares do not become listed at the Scheduled Closing Time on the Exchange as specified in the Final Terms, on or before such date, all as determined by the Calculation Agent in its sole and absolute discretion and in a commercially reasonable manner. The Issuer will, in respect of each and every Certificate, cause to be paid to the holder of each such Certificate the Cash Settlement Amount specified in the applicable Final Terms.

All determinations made by the Issuer and/or Calculation Agent pursuant to the foregoing paragraph shall be conclusive and binding on the Holders and the Issuer. No Holder will be entitled to any compensation from the Issuer for any loss suffered as a result of the Shares not becoming listed on the Exchange at the Scheduled Closing Time on or before the expiration of three months after the Expected Listing Date.

### **USE OF PROCEEDS**

The net proceeds from each issue of Securities will become part of the general funds of BNPP B.V. or BNPP, as the case may be. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

## FORM OF THE ENGLISH LAW GUARANTEE

**THIS GUARANTEE** is made by way of deed on 30 May 2007 by BNP Paribas (“**BNPP**”) in favour of the holders for the time being of the Securities (as defined below) (each a “**Holder**”).

### WHEREAS:

BNP Paribas Arbitrage Issuance B.V. (“**BNPP B.V.**”) and BNPP have entered into an Amended and Restated Agency Agreement (the “**Agency Agreement**”, which expression includes the same as it may be amended, supplemented or restated from time to time) dated 30 May 2007 with BNP Paribas Securities Services, Luxembourg Branch as agent, BNP Paribas Arbitrage SNC as calculation agent and BNP Paribas Securities (Japan) Limited, Tokyo Branch as registrar (the “**Registrar**”) under which, *inter alia*, BNPP B.V. proposes to issue from time to time warrants and certificates governed by English law (the “**Securities**”) of any kind including, but not limited to, Securities relating to a specified index or a basket of indices, a specified share or a basket of shares, a specified GDR or basket of GDRs, a specified debt security or basket of debt securities, a specified currency or basket of currencies, a specified commodity or basket of commodities a specified inflation index or basket of inflation indices or a specified fund share or unit or basket of fund shares or units. BNPP intends to guarantee the obligations of BNPP B.V. under the Securities.

Terms defined in the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the “**Conditions**”) and/or the Agency Agreement and not otherwise defined in this Deed of Guarantee shall have the same meanings when used in this Guarantee.

**NOW THIS DEED WITNESSES** as follows:

#### (i) Guarantee

Subject as provided below, BNPP unconditionally and irrevocably guarantees by way of deed poll to each Holder that, if for any reason BNPP B.V. does not pay any sum payable by it or perform any other obligation in respect of any Security on the date specified for such payment or performance BNPP will, in accordance with the Conditions pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligation on the due date for such performance. In case of the failure of BNPP B.V. to satisfy such obligations as and when the same become due, BNPP hereby undertakes to make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligation after a demand has been made on BNPP pursuant to clause 8 hereof PROVIDED THAT (A) in the case of Physical Delivery Securities where BNPP B.V. has the obligation, pursuant to the terms and conditions of the relevant Security, to deliver the Entitlement, notwithstanding that BNPP B.V. had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5(D) (in the event that the relevant Securities are Warrants) and Condition 7(C) (in the event that the relevant Securities are Certificates) and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Securities of an amount equal to the Guaranteed Cash Settlement Amount (as defined in the Conditions) and (B) in the case of Securities where the obligations of BNPP B.V. which fall to be satisfied by BNPP constitute the delivery of the Entitlement to the Holders, BNPP will as soon as practicable following BNPP B.V.’s failure to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (i) a Settlement Disruption Event (as defined in Condition 5(C)(2) (in the event that the relevant Securities are Warrants) or Condition 7(B)(5) (in the event that the relevant Securities are Certificates) or (ii) a Failure to Deliver due to Illiquidity (as defined in Condition 16(A) (in the event that the relevant Securities are Warrants) or Condition 16(A) (in the event that the relevant Securities are Certificates)) (if “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Final Terms),

in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (i) above, the Guaranteed Cash Settlement Amount or, in the case of (ii) above, the Failure to Deliver Settlement Price (as defined in Condition 16(C) (in the event that the relevant Securities are Warrants) or Condition 16(C) (in the event that the relevant Securities are Certificates)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of the BNPP's obligations in respect of such Security.

**(ii) BNPP as Principal Obligor**

As between BNPP and the holder of each Security but without affecting BNPP B.V.'s obligations, BNPP will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (1) any time, indulgence, waiver or consent at any time given to BNPP B.V. or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on BNPP B.V. or any other person for payment or performance of any other obligation in respect of any Security, (4) the enforcement or absence of enforcement of any Security or of any security or other guarantee or indemnity, (5) the release of any such security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of BNPP B.V. or any other person, or (7) the illegality, invalidity or unenforceability of or any defect in any provision of the Conditions, the Agency Agreement or any of BNPP B.V.'s obligations under any of them).

**(iii) BNPP's Obligations Continuing**

BNPP's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable and no other obligation remains to be performed under any Security (in the case where the relevant Security is a Warrant, subject to its exercise). Furthermore, those obligations of BNPP are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from BNPP or otherwise. BNPP irrevocably waives all notices and demands of any kind.

**(iv) Discharge by BNPP B.V.**

If any payment received by, or other obligation discharged to or to the order of, the holder of any Security is, on the subsequent bankruptcy or insolvency of BNPP B.V., avoided under any laws relating to bankruptcy or insolvency, such payment or obligation will not be considered as having discharged or diminished the liability of BNPP and this Guarantee will continue to apply as if such payment or obligation had at all times remained owing due by BNPP B.V.

**(v) Indemnity**

As a separate and alternative stipulation, BNPP unconditionally and irrevocably agrees (1) that any sum or obligation which, although expressed to be payable or deliverable under the Securities, is for any reason (whether or not now existing and whether or not now known or becoming known to BNPP B.V., BNPP or any Holder) not recoverable from BNPP on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal obligor and will be paid or performed by it in favour of the Holder on demand and (2) as a primary obligation to indemnify each Holder against any loss suffered by it as a result of any sum or obligation expressed to be payable or deliverable under the Securities not being paid or performed by the time, on the date and otherwise in the manner specified in the Securities or any obligation of BNPP B.V. under the Securities being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not known or becoming known to BNPP B.V., BNPP or any Holder), in the case of a payment obligation the amount of that loss being the amount expressed to be payable by BNPP B.V. in respect of the relevant sum, PROVIDED THAT the proviso to Clause 2 of this Guarantee shall apply *mutatis mutandis* to this Clause 8.

**(vi) Incorporation of Terms**

BNPP agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

**(vii) Deposit of Guarantee**

This Guarantee shall be deposited with and held by BNP Paribas Securities Services, Luxembourg for the benefit of the Holders. This Guarantee replaces the guarantee dated 21 June 2006 granted by the Guarantor in respect of all Securities issued on or after the date of this Guarantee.

**(viii) Demand on BNPP**

Any demand hereunder shall be given in writing addressed to BNPP served at its head office at 16 boulevard des Italiens, 75009 Paris, France, attention: Legal and Transaction Management Group. A demand so made shall be deemed to have been duly made five Paris Business Days (as used herein, "Paris Business Day" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made five Paris Business Days after the Paris Business Day immediately following such day.

**(ix) Governing law**

This Guarantee shall be governed by and construed in accordance with English law.

**(x) Jurisdiction**

This Clause is for the benefit of the Holders only. Subject as provided below, the courts of England shall have exclusive jurisdiction to settle any disputes which may, directly or indirectly, arise out of or in connection with this Guarantee and accordingly BNPP submits to the exclusive jurisdiction of the English courts to hear all suits, actions or proceedings (together hereafter termed the "**Proceedings**") relating to any such dispute. BNPP waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Clause shall limit the rights of the Holders to take any Proceedings against BNPP in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

**(xi) Service of Process**

BNPP agrees that service of process in England may be made on it at its London branch. Nothing in this Guarantee shall affect the right to serve process in any other manner permitted by law.

**(xii) Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but this does not affect any right or remedy of any person which exists or is available from that Act.

Delivered as a Deed

By BNP PARIBAS                    )  
acting by                                )  
acting under the authority        )  
of that company                    )



**IN WITNESS** whereof this Guarantee has been delivered by BNP Paribas as a deed on the date first above-mentioned.

Witness's signature: .....

Name: .....

Address: .....

## FORM OF THE FRENCH LAW GUARANTEE

**THIS GUARANTEE** is made by BNP Paribas (“**BNPP**”) in favour of the holders for the time being of the Securities (as defined below) (each a “**Holder**”).

### WHEREAS:

BNP Paribas Arbitrage Issuance B.V. (“**BNPP B.V.**”) and BNPP have entered into an Amended and Restated Agency Agreement (the “**Agency Agreement**”, which expression includes the same as it may be amended, supplemented or restated from time to time) dated 30 May 2007 with BNP Paribas Securities Services, Luxembourg Branch as agent and BNP Paribas Arbitrage SNC as calculation agent and BNP Paribas Securities (Japan) Limited, Tokyo Branch as registrar (the “**Registrar**”) under which, *inter alia*, BNPP B.V. proposes to issue from time to time warrants and certificates governed by French law (the “**Securities**”) of any kind including, but not limited to, Securities relating to a specified index or a basket of indices, a specified share or a basket of shares, a specified GDR or basket of GDRs, a specified debt security or basket of debt securities, a specified currency or basket of currencies, a specified commodity or basket of commodities a specified inflation index or basket of inflation indices or a specified fund share or unit or basket of fund shares or units. BNPP intends to guarantee the obligations of BNPP B.V. under the Securities.

Terms defined in the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the “**Conditions**”) and/or the Agency Agreement and not otherwise defined in this Guarantee shall have the same meanings when used in this Guarantee.

### 1. Guarantee

Subject as provided below, BNPP unconditionally and irrevocably guarantees to each Holder that, if for any reason BNPP B.V. does not pay any sum payable by it or perform any other obligation in respect of any Security on the date specified for such payment or performance BNPP will, in accordance with the Conditions pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligation on the due date for such performance PROVIDED THAT (A) in the case of Physical Delivery Securities where BNPP B.V. has the obligation, pursuant to the terms and conditions of the relevant Security, to deliver the Entitlement, notwithstanding that BNPP B.V. had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5(D) (in the event that the relevant Securities are Warrants) and Condition 7(C) (in the event that the relevant Securities are Certificates) and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Securities of an amount equal to the Guaranteed Cash Settlement Amount (as defined in the Conditions) and (B) in the case of Securities where the obligations of BNPP B.V. which fall to be satisfied by BNPP constitute the delivery of the Entitlement to the Holders, BNPP will as soon as practicable following BNPP B.V.’s failure to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (i) a Settlement Disruption Event (as defined in Condition 5(C)(2) (in the event that the relevant Securities are Warrants) or Condition 7(B)(5) (in the event that the relevant Securities are Certificates) or (ii) a Failure to Deliver due to Illiquidity (as defined in Condition 16(A) (in the event that the relevant Securities are Warrants) or Condition 16(A) (in the event that the relevant Securities are Certificates)) (if “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Final Terms), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (i) above, the Guaranteed Cash Settlement Amount or, in the case of (ii) above, the Failure to Deliver Settlement Price (as defined in Condition 16(C) (in the event that the relevant Securities are Warrants) or Condition 16(C) (in the event that the relevant Securities are Certificates)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to

Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of the BNPP's obligations in respect of such Security.

## **2. Joint liability of BNPP and BNPP B.V.**

BNPP hereby acknowledges, absolutely and without right to claim the benefit of any legal circumstances amounting to an exemption from liability or a guarantor's defence, that it is bound by the obligations specified below. Accordingly, BNPP acknowledges that it will not be released from liability, nor will its liability be reduced, at any time, by extension or grace periods regarding payment or performance, any waiver or any consent granted to BNPP B.V. or to any other person, or by the failure of any execution proceedings brought against BNPP B.V. or any other person. Furthermore, BNPP acknowledges that (1) it will not be relieved of its obligations in the event that BNPP B.V.'s obligations become void for reasons relating to BNPP B.V.'s capacity, limitation of powers or lack thereof (including any lack of authority of persons having entered into contracts in the name, or on behalf, of BNPP B.V.), (2) its obligations under this Guarantee will remain valid and in full effect notwithstanding the dissolution, merger, takeover or reorganisation of BNPP B.V., as well as the opening of insolvency proceedings (*procédures collectives*), or any other proceedings similar to receivership or liquidation proceedings, in respect of BNPP B.V., (3) it will not avail itself of any subrogation rights in respect of the Holders' rights and that it will take no steps to enforce any rights or demands against BNPP B.V., so long as any amounts remain due; or any obligation remains unperformed, under the Securities, (4) its duties under this Guarantee will not be conditional on or subject to the validity or execution of any other security granted by BNPP B.V. or any other person to the Holders, or to the existence or creation of any security for the benefit of the Holders, and (5) neither the notification of, nor the serving of a formal request upon, BNPP B.V. or any other person is a prior condition to a payment or performance by BNPP under this Guarantee.

## **3. BNPP's continuing liability**

BNPP's obligations under this Guarantee will remain valid and in full effect so long as any amounts remain outstanding, or any obligation remains unperformed, under the Securities.

## **4. BNPP B.V. repayment**

If a payment received by, or other obligation discharged to or to the order of, any Holder is declared null and void under any rule relating to insolvency proceedings (*procédures collectives*), or any other procedure similar to the receivership or liquidation of BNPP B.V., such payment or obligation will not reduce BNPP's obligations and this Guarantee will continue to apply as if such payment or obligation had always been due from BNPP B.V.

## **5. Conditions binding**

BNPP declares (i) that it has full knowledge of the provisions of the Conditions, (ii) that it will comply with them and (iii) that it will be bound by them.

## **6. Duration of the Guarantee**

This Guarantee replaces the guarantee dated 21 June 2007 granted by the Guarantor in respect of all Securities issued on or after the date of this Guarantee and is granted for one year as of the date of its signature.

## **7. Demand on BNPP**

Any demand hereunder shall be given in writing addressed to BNPP served at its head office at 16 Boulevard des Italiens, 75009 Paris, France, attention: Legal and Transaction Management Group. A demand so made shall be deemed to have been duly made five Paris Business Days (as used herein, "Paris Business Day" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall

be deemed to be duly made five Paris Business Days after the Paris Business Day immediately following such day.

#### **8. Governing law and jurisdiction**

This Guarantee is governed by, and shall be construed in accordance with, French law. For the exclusive benefit of the Holders, BNPP acknowledges that the competent courts within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*) will be competent to settle any litigation or proceedings ("**Proceedings**") relating to this Guarantee. Nothing in this Clause shall limit the rights of the Holders to take any Proceedings against BNPP in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

Executed in Paris in one original, on 30 May 2007

**BNP PARIBAS**

By:

## DESCRIPTION OF BNP PARIBAS ARBITRAGE ISSUANCE B.V.

### 1. Name, registered office and date of incorporation

#### (1) The legal and commercial name of the company is:

BNP Paribas Arbitrage Issuance B.V.

#### (2) BNPP B.V. is a limited company under Dutch law (“*besloten vennootschap met beperkte aansprakelijkheid*”), having its registered office at Herengracht 440, 1017 BZ Amsterdam, the Netherlands BNPP B.V. is incorporated in the Netherlands and registered with the Commercial Register in the Netherlands under number 33215278 (telephone number: + 31 20 551 7272).

#### (3) BNPP B.V. was incorporated on 10 November 1989 with unlimited duration.

### 2. Business Overview

BNPP B.V.’s objects (as set out in Article 3 of its Articles of Association) are:

(A) *to borrow, lend out and collect monies, including but not limited to the issue or the acquisition of debentures, debt instruments, financial instruments such as, inter alia, warrants and certificates of any nature, with or without indexation based on, inter alia, shares, baskets of shares, stock exchange indices, currencies, commodities or futures on commodities, and to enter into related agreements;*

(B) *to finance enterprises and companies;*

(C) *to establish and to in any way participate in, manage and supervise enterprises and companies;*

(D) *to offer advice and to render services to enterprises and companies with which the company forms a group of companies, and to third parties;*

(E) *to grant security, to bind the company and to encumber assets of the company for the benefit of enterprises and companies with which the company forms a group of companies, and of third parties;*

(F) *to acquire, manage, exploit and dispose of registered property and asset value in general;*

(G) *to trade in currencies, securities and asset value in general;*

(H) *to exploit and trade in patents, trademark rights, licences, know-how and other industrial rights of ownership;*

(I) *to engage in industrial, financial and commercial activities of any nature, and all other things as may be deemed incidental or conducive to the attainment of the above objects, in the broadest sense of the word; and*

(J) *BNPP B.V. does not have any markets in which it competes.*

### 3. Share capital

The authorised share capital is composed of 225,000 Euro divided into 225,000 shares of one Euro each. The issued share capital is 45,379 Euro, divided in 45,379 shares of one Euro each.

All shares are ordinary registered shares and fully paid up and no share certificates have been issued.

## 4. Management

### 4.1 Management Board

The management of BNPP B.V. is composed of a Management Board with one or several members appointed by the general meeting of shareholders.

### 4.2 Duties of the Management Board

Within the limits of the constitutional documents, the Management Board is responsible for the management of BNPP B.V.

### 4.3 Delegation of management

BNP Paribas is the sole shareholder of BNPP B.V. By an agreement dated 27 December 2000 entitled “Management and Indemnity Agreement”, BNP Paribas has delegated the management of BNPP B.V. to BNP Paribas Trust B.V., a company established and existing under the laws of the Netherlands, with its registered office at Herengracht 440, 1017 BZ, Amsterdam. Messrs. De Vibraye, Bijloos, Didier and Tuloup, Directors of BNP Paribas Trust B.V. have been empowered by BNP Paribas Trust B.V. to take all necessary measures in relation to the issue of securities of BNPP B.V.

## 5. Accounts

### 5.1 Drawing up of annual accounts

The financial year is the calendar year.

### 5.2 Adoption of annual accounts

The general meeting of shareholders adopts the annual accounts.

## 6. Material Investments

BNPP B.V. has made no material investment since the date of its last published financial statements and, as at the date of this Base Prospectus, its Board of Directors has made no firm commitments on such material investments in the future.

## 7. Organisational Structure

BNPP B.V. is a wholly owned subsidiary of BNP Paribas.

BNPP B.V. is dependent upon BNP Paribas in that BNP Paribas guarantees the obligations of BNPP B.V. for any issue of its securities.

## 8. Administrative, Management, and Supervisory Bodies

### 8.1 Names, Business Addresses, Functions and Principal Outside Activities

As at the date of this Base Prospectus, the names, functions and principal activities performed by it outside BNPP B.V. which are significant with respect to BNPP B.V. of the only Director of BNPP B.V. are:

| Name                 | Function          | Principal Outside Activities                                                                         |
|----------------------|-------------------|------------------------------------------------------------------------------------------------------|
| BNP Paribas Trust BV | Managing Director | Providing corporate management services to Dutch companies belonging to corporate or private clients |

## 8.2 Administrative, Management, and Supervisory Bodies Conflicts of Interests

As at the date of this Base Prospectus, the above-mentioned members of the Board of Directors of BNPP B.V. do not have potential conflicts of interests, material to the Securities, between any duties to BNPP B.V. and their private interests or other duties.

## 9. Board Practices

### 9.1 Audit Committee

BNPP B.V. does not itself have an audit committee. However, BNPP B.V. is part of the BNP Paribas Group which has an audit committee that reviews the annual consolidated financial statements of BNPP B.V.

### 9.2 Corporate Governance

According to the Decree of 23 December 2004, pursuant to section 391 paragraph 4 of book 2 of the Dutch Civil Code, the code of conduct ("*Nederlandse corporate governance code*") only applies to listed companies. BNPP B.V. is not listed and therefore the code does not apply. Accordingly, BNPP B.V. is not required to make any disclosure regarding compliance with the code.

## 10. Selected Historical Financial Information Concerning BNPP B.V.'s Asset and Liabilities, Financial Position and Profits and Losses

The following selected historical financial information is extracted from the 2006 financial statements of BNPP B.V. as published in the BNPP B.V. Annual Report 2006 and the 2005 financial statements of BNPP B.V. as published in the BNPP B.V. Annual Report 2005, each of which is incorporated by reference into this Base Prospectus. Such information should be read and analysed together with the relevant notes included in such documents.

2006

**BNP Paribas Arbitrage Issuance B.V.**  
Amsterdam  
The Netherlands

**BALANCE SHEET AT DECEMBER 31, 2006**

(before appropriation of the net result)

|                                             | Notes | <u>31.12.2006</u><br>EUR     | <u>31.12.2005</u><br>EUR     |
|---------------------------------------------|-------|------------------------------|------------------------------|
| <b>ASSETS</b>                               |       |                              |                              |
| <b>Financial fixed assets</b>               |       |                              |                              |
| OTC contracts                               | 1     | 13,196,121,017               | 6,120,143,538                |
| <b>Current assets</b>                       |       |                              |                              |
| OTC contracts                               | 1     | 8,605,674,477                | 5,520,849,833                |
| Accounts receivables                        | 2     | 960,626                      | 724,555                      |
| Cash at bank                                | 3     | 563,849                      | 562,022                      |
|                                             |       | <u>8,607,198,952</u>         | <u>5,522,136,410</u>         |
| <b>TOTAL ASSETS</b>                         |       | <u><b>21,803,319,969</b></u> | <u><b>11,642,279,948</b></u> |
| <b>SHAREHOLDER'S EQUITY AND LIABILITIES</b> |       |                              |                              |
| <b>Shareholder's equity</b>                 |       |                              |                              |
| Share capital issued and paid up            | 4     | 45,379                       | 45,379                       |
| Retained earnings                           |       | 85,433                       | 54,786                       |
| Result for the year                         |       | <u>38,682</u>                | <u>30,647</u>                |
|                                             |       | <u>169,494</u>               | <u>130,812</u>               |
| <b>Long term liabilities</b>                |       |                              |                              |
| Issued securities                           | 5     | 13,196,121,017               | 6,120,143,538                |
| <b>Current liabilities</b>                  |       |                              |                              |
| Issued securities                           | 5     | 8,605,674,477                | 5,520,849,833                |
| Other liabilities                           | 6     | <u>1,354,981</u>             | <u>1,155,765</u>             |
|                                             |       | <u>8,607,029,458</u>         | <u>5,522,005,598</u>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |       | <u><b>21,803,319,969</b></u> | <u><b>11,642,279,948</b></u> |



# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2006

|                                       |       | <u>2006</u>          | <u>2005*</u>         |
|---------------------------------------|-------|----------------------|----------------------|
|                                       | Notes | EUR                  | EUR                  |
| Net results financial instruments     | 7     | 0                    | 0                    |
| Other income                          | 8     | <u>524,621</u>       | <u>457,057</u>       |
| <b>Operating income</b>               |       | <u>524,621</u>       | <u>457,047</u>       |
| General and administrative expenses   | 9     | (476,928)            | (415,497)            |
| Reimbursed issuing expenses           | 10    | 3,374,865            | 1,942,031            |
| Issuing expenses                      | 10    | <u>(3,374,865)</u>   | <u>(1,942,031)</u>   |
| <b>Operating expenses</b>             |       | <u>(476,928)</u>     | <u>(415,497)</u>     |
| <b>Operating result</b>               |       | 47,693               | 41,550               |
| Interest income                       |       | 7,116                | 4,706                |
| Interest expenses and similar charges |       | (920)                | (1,901)              |
| Exchange gains/(losses)               |       | <u>(202)</u>         | <u>0</u>             |
| <b>Profit before taxation</b>         |       | 53,687               | 44,355               |
| <b>Corporate income tax</b>           | 11    | (15,005)             | (13,708)             |
| <b>Profit after taxation</b>          |       | <u><u>38,682</u></u> | <u><u>30,647</u></u> |

\*) The Comparative figures have been (slightly) restated according to the classification of 2006.

## CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2006

|                                             | <u>2006</u>     | <u>2005</u>     |
|---------------------------------------------|-----------------|-----------------|
|                                             | EUR             | EUR             |
| <b>Cash flow from operating activities</b>  |                 |                 |
| Issuing of securities against OTC coverage  | 0               | 0               |
| Received reimbursed issuing expenses        | 3,136,054       | 1,865,240       |
| Received reimbursed general expenses        | 522,623         | 438,960         |
| Received interest & paid similar expenses   | 5,887           | 2,445           |
| Paid issuing expenses                       | (3,342,545)     | (1,621,852)     |
| Paid general expenses                       | (307,324)       | (373,375)       |
| Paid corporate income tax                   | <u>(12,666)</u> | <u>(26,481)</u> |
| <b>Cash flow from operating activities</b>  | 2,029           | 284,937         |
| <b>Cash flow from investment activities</b> |                 | 0               |

|                                                                           |         |         |
|---------------------------------------------------------------------------|---------|---------|
| <b>Cash flow from financing activities</b>                                |         | 0       |
| <b>Net cash flow</b>                                                      | 2,029   | 284,937 |
| Exchange and translation differences on cash at bank and cash equivalents | (202)   | 0       |
| <b>Increase/(decrease) cash at bank and cash equivalents</b>              | 1,827   | 284,937 |
| <b>Movements in cash at bank and cash equivalents</b>                     |         |         |
| Cash at bank and cash equivalents at January 1                            | 562,022 | 277,085 |
| In/(decrease) cash at bank and cash equivalents                           | 1,827   | 284,937 |
| <b>Cash at bank and cash equivalents as at December 31</b>                | 563,849 | 562,022 |

Netting agreements between the Company and entities of the BNP Paribas Group have been drawn up for all flows resulting from securities and OTC contracts to avoid that payments have to be made for these flows. This procedure is reflected in the cash flow statement under the heading “Issuing of securities against OTC coverage”.

## BNP PARIBAS GROUP

### Legal Status and Form of BNP Paribas

BNP Paribas is a French *société anonyme* incorporated in France and registered with the *Registre du Commerce et des Sociétés* in Paris under number 662 042 449 (APE business identifier code: 651 C), licensed to conduct banking operations under the Monetary and Financial Code (*Code Monétaire et Financier, Livre V, Titre 1er*). The Bank was founded pursuant to a decree dated 26 May 1966. BNP Paribas is domiciled in France; its registered office is located at 16, boulevard des Italiens - 75009 Paris, France (telephone number: (+) 33 1 40 14 45 46). BNP Paribas is governed by banking regulations, the provisions of the Commercial Code applicable to trading companies and by its Articles of Association. The Bank's purpose (Article 3 of the Articles of Association) is to provide and conduct the following services with any legal entity or individual, in France and abroad, subject to compliance with the laws and regulations applicable to credit institutions licensed by the *Comité des Établissements de Crédit et des Entreprises d'Investissement*: any investment services, any services related to investment activities, any banking activities, any transactions related to banking activities, any purchase of an ownership interest, within the meaning of Book III, Title 1 relating to bank transactions, and Title II relating to investment services and their ancillary services, of the Monetary and Finance Code. The Bank was incorporated on 17 September 1993 for a period of 99 years. Each financial year begins on 1 January and ends on 31 December.

### Business Overview

The Group (of which BNP Paribas is the parent company) is one of the top global players in financial services, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialised and other financial activities throughout the world. The Group is a leading European provider of corporate and investment banking products and services and a leading provider of private banking and asset management products and services throughout the world. It provides retail banking and financial services to over 20 million individual customers worldwide, in particular in Europe and the western United States, and has offices in more than 85 countries.

At 31 December 2006, the Group had consolidated assets of €1,440.3 billion (compared to €1,258.1 billion at 31 December 2005), consolidated loans and receivables due from customers of €393.1 billion (compared to €301.2 billion at 31 December 2005), consolidated items due to customers of €298.7 billion (compared to €247.5 billion at 31 December 2005) and shareholders' equity (Group share including income for 2006) of €49.5 billion (compared to €40.7 billion at 31 December 2005). Pre-tax net income for the year ended 31 December 2006 was €10.6 billion (compared to €8.4 billion for the year ended 31 December 2005). Net income, Group share, for the year ended 31 December 2006 was €7.3 billion (compared to €5.9 billion for the year ended 31 December 2005).

The Group currently has long-term senior debt ratings of "Aa1" with stable outlook from Moody's, "AA" with positive outlook from Standard & Poor's and "AA" with stable outlook from Fitch Ratings. Moody's has also assigned the Bank a Bank Financial Strength rating of "B" and Fitch Ratings has assigned the Bank an individual rating of "A/B".

The Group has three divisions: Retail Banking, Asset Management and Services and Corporate and Investment Banking, the latter two of which also constitute "core businesses". Operationally, the Retail Banking division is itself comprised of two core businesses: French Retail Banking and International Retail Banking and Financial Services.

Except where otherwise specified, all financial information and operating statistics are presented as of 31 December 2006.

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Clearstream, Luxembourg, Euroclear or Iberclear (together, the “**Clearing Systems**”) currently in effect and subject as provided in the applicable Final Terms. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of BNPP B.V., BNPP, or any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

## BOOK ENTRY SYSTEMS

### **DTC**

DTC has advised BNPP that it is a limited purpose trust company organised under the New York Banking Law, a banking organisation within the meaning of the New York Banking Law, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc., Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**Rules**”), DTC makes book-entry transfers of Securities represented by Rule 144A Global Securities held by a Custodian on behalf of DTC among Direct Participants on whose behalf it acts with respect to Securities accepted into DTC’s book-entry settlement system (“**DTC Securities**”) as described below and receives and transmits payments on DTC Securities. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Securities (“**Beneficial Owners**”) have accounts with respect to the DTC Securities similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold DTC Securities through Direct Participants or Indirect Participants will not possess definitive Securities, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Securities.

Purchases of DTC Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Securities on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Securities are to be accomplished by entries made on the books of Direct Participants or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Securities, except in the event that use of the book-entry system for the DTC Securities is discontinued.

To facilitate subsequent transfers, all DTC Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or any other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Securities with DTC and their registration in the name of Cede & Co. or any other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

### ***Clearstream, Luxembourg and Euroclear***

Clearstream, Luxembourg and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Clearstream, Luxembourg and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear also deal with domestic securities markets in several countries through established depositary and custodial relationships. Clearstream, Luxembourg and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Clearstream, Luxembourg and Euroclear customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg and Euroclear is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### ***Iberclear***

“La Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal” – whose commercial name is Iberclear – is the Spanish Central Securities Depository. Iberclear is set-up as a company as stated in article 44 bis of the “Stock Market” Law 24/1988, 28 July (article introduced by Section Two of Article 1 of the Reform Measures of the Financial System Law 44/2002, 22 November). Article “44” bis of Law 24/1988 dated 28 July assigns Iberclear the right of all functions as indicated in the legal regulations containing its legal regime, in accordance with the following: a) to maintain the Securities Registry by means of book-entry form of all eligible securities listed on the Spanish Stock Exchanges and the Public Debt Market as well as the securities listed on other secondary markets when requested by the appropriate governing bodies. b) to manage the settlement, and when appropriate, the clearing of securities and money resulting from those trades settled on the Stock Exchanges, Public Debt Market and, when appropriate, the secondary markets. c) provide technical and operational services directly related to the Registering, Clearing & Settlement of securities which allows Iberclear to collaborate in, or co-ordinate with, other services related to Registering, Clearing & Settlement of securities as well as allowing it to participate in them. d) anything else that the Government entrusts to Iberclear provided permission has been first sought from the market supervisory bodies be it the CNMV (Comisión Nacional del Mercado de Valores) or the Banco de España.

### **Book-entry Ownership of and Payments in respect of DTC Securities**

If a Rule 144A Global Security is to be registered in the name of a nominee of DTC, the Issuer will apply to DTC in order to have the Securities represented by such Rule 144A Global Security accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Security to be held by a Custodian on behalf of DTC, DTC or the Custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Security to the accounts of the relevant Direct Participants. Ownership of beneficial interests in any such Rule 144A Global Security will be limited to Direct Participants or Indirect

Participants, including the respective depositaries of Clearstream, Luxembourg, Euroclear and any other clearing systems as may be applicable. Ownership of beneficial interests in any such Rule 144A Global Security held by a Custodian on behalf of DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars in respect of a Rule 144A Global Security registered in the name of DTC's nominee will be made to the New York Warrant Agent or New York Certificate Agent, as the case may be, to the order of such nominee as the registered Holder. In the case of any payment in a currency other than U.S. dollars, payment will be made to the New York Warrant Agent or New York Certificate Agent, as the case may be, on behalf of DTC's nominee and the New York Warrant Agent or New York Certificate Agent, as the case may be, will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial Holders of interests in the Rule 144A Global Security held by a Custodian on behalf of DTC in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Direct Participants' account, provided that (a) the New York Warrant Agent or New York Certificate Agent, as the case may be, shall not be obligated to convert any currency whose conversion the New York Warrant Agent or New York Certificate Agent, as the case may be, in its sole discretion, deems impracticable, and (b) the New York Warrant Agent or New York Certificate Agent, as the case may be, has received notice by 11:00 a.m. two Business Days prior to the Settlement Date, Redemption Date or Interest Payment Date, as the case may be, of the currency and the amount thereof to be converted into U.S. dollars. Conversion of a currency other than U.S. dollars into U.S. dollars will be carried out by the New York Warrant Agent or New York Certificate Agent, as the case may be, based on the actual exchange rate received in the currency conversion, which will occur at the New York Warrant Agent's or New York Certificate Agent's, as the case may be, bid quotation for U.S. dollars at or prior to 11:00 a.m. on the Settlement Date, Redemption Date or Interest Payment Date, as the case may be. The costs of conversion will be deducted from the amount of the payment credited to the applicable Participants' account. Except in the case of its gross negligence or wilful misconduct, the New York Warrant Agent or New York Certificate Agent, as the case may be, shall not be liable to any holder of Securities for any delay in conversion or for any amounts in excess of the amounts actually received by it upon conversion of a currency other than U.S. dollars into U.S. dollars, or for its inability to convert any such currency into U.S. dollars at a commercially reasonable rate or at any rate.

BNPP expects that payments by Direct Participants to Beneficial Owners of Securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Direct Participant and not the responsibility of DTC, any Warrant Agent or Certificate Agent, as the case may be, or BNPP. Payments on Securities to DTC is the responsibility of BNPP.

### **Transfers of Securities Represented by Global Securities**

Transfers of any interests in Securities represented by a Global Security within DTC, Clearstream, Luxembourg, Euroclear and/or any other clearing systems as may be applicable will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Securities represented by a Global Security to such persons may depend upon the ability to exchange such Securities for Securities in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC to pledge such Securities to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Securities may depend upon the ability to exchange such Securities for Securities in definitive form. The ability of any person having a beneficial interest in Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC to resell, pledge or otherwise transfer such Securities may be impaired if the proposed transferee of such Securities is not eligible to hold such Securities through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to Rule 144A Global Securities described under “Notice to Purchasers and Holders of U.S. Securities and Transfer Restrictions”, crossmarket transfers between DTC, on the one hand, and direct or indirect account holders of Clearstream, Luxembourg, Euroclear or any other clearing systems as may be applicable, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the relevant Warrant Agent or Certificate Agent and any custodian with whom the relevant Global Securities have been deposited.

On or after the issue date for any Securities, transfers of such Securities between account Holders in Clearstream, Luxembourg, Euroclear and/or any other clearing system as may be applicable and transfers of such Securities between Direct Participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment may apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear, DTC and/or any other clearing system as may be applicable participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg or Euroclear, on the other, transfers of interests in the relevant Global Securities will be effected through relevant Warrant Agent or Certificate Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Clearstream, Luxembourg, Euroclear and/or any other clearing systems as may be applicable accountholders and Direct Participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg, Euroclear and any other clearing system as may be applicable have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Securities among participants and accountholders of DTC, Clearstream, Luxembourg, Euroclear and any other clearing systems as may be applicable. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, any Warrant Agent or any Certificate Agent will be responsible for any performance by DTC, Clearstream, Luxembourg, Euroclear or any other clearing system as may be applicable or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Securities represented by Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## **TAXATION**

*The statements herein regarding taxation are based on the laws in force in France, The Netherlands, the Grand Duchy of Luxembourg, Belgium, Spain, the United Kingdom, Italy, Germany and the United States, as applicable, as of the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities. Each prospective holder or beneficial owner of Securities should consult its tax advisor as to each of the French, the Dutch, the Luxembourg, the Belgium, the Spanish, the UK, the Italian, the German and the U.S. federal income tax consequences, as applicable, of any investment in or ownership and disposition of the Securities.*



## EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, inter alia, details of payments of interest within the meaning of the Directive (interests, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “**paying agent**” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 15% during the first three years, 20% during the subsequent three years and 35% until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

## **DUTCH TAXATION**

### **TAXATION – NETHERLANDS**

#### **General**

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

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

This summary does not address the Netherlands tax consequences for:

- (i) holders of Securities holding a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a holder of Securities holds a substantial interest in the Issuer, if such holder of Securities, alone or, where such holder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) pension funds or other entities that are exempt from Netherlands corporate income tax;
- (iii) investment institutions (*fiscale beleggingsinstellingen*).

#### **Withholding tax**

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

#### **Corporate and individual income tax**

- (i) Residents of the Netherlands

If a holder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of its enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands.

If an individual holder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates of the Netherlands income tax act 2001, if:

- (a) the holder has an enterprise or an interest in an enterprise, to which enterprise the Securities are attributable;  
or

- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Securities, taxable income with regard to the Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Securities will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4% will be taxed at a rate of 30 per cent.

(ii) Non-residents of the Netherlands

If a holder is not a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is not taxable in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

- (a) the holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Securities are attributable; or
- (b) the holder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities, and to which enterprise the Securities are attributable; or
- (c) the holder is an individual and such income or gains qualify as income from miscellaneous activities in the Netherlands, which include the performance of activities in the Netherlands with respect to the Securities that exceed regular, active portfolio management.

### **Gift and Inheritance taxes**

(i) Residents of the Netherlands

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A holder of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands at any time during the twelve months preceding the time of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

(ii) Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Securities by way of gift by or as a result of the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, unless:

- (iii) such holder at the time of the gift, or at the time of his or her death, has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or a permanent representative, the Securities are (deemed to be) attributable; or
- (iv) the Securities are (deemed to be) attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor or the deceased is entitled, other than by way of securities or through an employment contract, to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death; or
- (v) in the case of a gift of the Securities by a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

#### **Value added tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of the cash payment made under the Securities, or in respect of a transfer of Securities.

#### **Other taxes and duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

#### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from the 1st July, 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1st July, 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal 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 in one of those territories.

## **FRENCH TAXATION**

The tax treatment regarding withholding tax in relation to any Securities will depend on the nature and legal characterisation of such Securities. Potential purchasers of Securities are advised to consult their own appropriate, independent and professionally qualified tax advisors as to the tax consequences of any investment in, ownership of or transactions involving the Securities.

Exemptions to French withholding tax on payments under Securities issued by BNP Paribas will depend upon to nature of the Securities issued.

Payments with respect to Certificates issued by BNP Paribas which constitute “obligations” under French law and which are issued or deemed to be issued outside the Republic of France are exempt from French withholding tax. Accordingly, such payments do not give the right to any tax credit from any French source.

Payments in respect of Warrants and Certificates which do not constitute “obligations” under French law might also benefit from an exemption from withholding tax provided that the beneficial owner of such Warrants or Certificates and the payments thereunder is located or domiciled in a country which has entered into an appropriate double taxation treaty with France.

## LUXEMBOURG TAXATION

*The statements herein regarding withholding tax considerations in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and are subject to any changes in law.*

*The following summary does not purport to be a comprehensive description of all the Luxembourg tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities. In particular, this summary does not describe the tax consequences for a holder of Securities that are redeemable in exchange for, or convertible into, shares.*

*Each prospective holder or beneficial owner of the Securities should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Securities.*

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual holders of the Securities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual holders of the Securities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Securities.

### *Luxembourg non-resident individuals*

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another EU Member State, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments to individuals resident in certain dependent territories.

The withholding tax rate is initially 15%, increasing steadily to 20% and to 35%. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

### *Luxembourg resident individuals*

A 10% withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers receiving these payments in the course of their private wealth.

## **BELGIAN TAXATION**

### **Taxation in Belgium**

The following summary describes the principal Belgian withholding tax considerations with respect to the holding of the Certificates and/or Warrants obtained by an investor following this offer in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Certificates and/or the Warrants. In some cases, different rules may be applicable. Furthermore, the tax rules can be amended in the future, possibly with retrospective effect, and the interpretation of the tax rules may change.

This summary is based on the Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this offer in Belgium, without prejudice to any amendments introduced at a later date, even if implemented with retrospective effect.

This summary does not describe the tax consequences for a holder of Certificates and/or Warrants that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Certificates and/or Warrants and/or any tax consequences after the moment of exercise, settlement or redemption. Neither, does it describe the indirect taxes (including *inter alia* transfer taxes, stamp duties, stock exchange taxes, taxes on the physical delivery of bearer securities) that may be due following the acquisition, transfer or disposal of the Certificates and/or Warrants. In addition, it does not cover Warrants issued in accordance with the rules set out in the Act of 26 March 1999 on the Belgian action plan for employment 1998 and other miscellaneous measures.

Each prospective holder of Certificates and/or Warrants should consult a professional adviser with respect to the tax consequences of an investment in the Certificates and/or Warrants, taking into account the influence of each regional, local or national law.

#### **1. Certificates**

##### **1.1 Individual private investors**

Natural persons who are Certificate holders and who are Belgian residents for tax purposes, i.e. who are subject to Belgian personal income tax (“Personenbelasting/ Impôt des personnes physiques”), are subject to the following tax treatment with respect to the Certificates in Belgium. Other rules may be applicable in special situations, in particular when natural persons resident in Belgium acquire the Certificates for professional purposes or when their transactions with respect to the Certificates fall outside the scope of the normal management of their own private estate.

According to Belgian tax law, interest includes any amount paid by the Issuer in excess of the issuance price of the Certificates (e.g. at the redemption date or at early redemption).

Payments of interest on the Certificates made through a paying agent in Belgium will in principle be subject to a 15% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for natural persons. This means that they do not have to declare the interest obtained on the Certificates in their personal income tax return, provided withholding tax was levied on these interest payments.

If the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 15% (plus local surcharges).

If the Certificates qualify as fixed income securities for the purposes of article 2, §4 of the Belgian Income Tax Code (TTC), in the event of a transfer of the Certificates between two interest payment dates, income equal to the accrued interest corresponding to the detention period must be declared and income tax at a flat rate of 15% plus local surcharges will be due if no Belgian withholding tax has been levied on that amount.

Capital gains realised on the sale of the Certificates to a Party other than the Issuer, except in respect of that part of the sale price attributable to the pro rata interest component, are in principle tax exempt.

Capital losses on the Certificates are generally not tax deductible.

## **1.2 Tax treatment of Belgian corporations**

Corporations Certificate holders who are Belgian residents for tax purposes, i.e. who are subject to Belgian Corporate Income Tax (“Vennootschapsbelasting/ Impôt des sociétés”) are subject to the following tax treatment with respect to the Certificates in Belgium.

Interest received by Belgian corporate investors on the Certificates and capital gains realised on the Certificates will be subject to Belgian corporate income tax of 33.99%. Capital losses are in principle deductible.

Interest payments on the Certificates made through a paying agent in Belgium can under certain circumstances be exempt from withholding tax, provided a certificate is delivered. The withholding tax that has been levied is creditable in accordance with the legal provisions.

## **1.3 Other legal entities**

Legal entities Certificate holders who are Belgian residents for tax purposes, i.e. who are subject to Belgian tax on legal entities (“Rechtspersonenbelasting/ impôt des personnes morales”) are subject to the following tax treatment with respect to the Certificates in Belgium.

According to Belgian tax law, interest includes any amount paid by the Issuer in excess of the issuance price of the Certificates (e.g. at the maturity day or at early redemption).

Payments of interest on the Certificates made through a paying agent in Belgium will in principle be subject to a 15% withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is responsible for the deduction and payment of the 15% withholding tax.

If the Certificates qualify as fixed income securities for the purposes of article 2, §4 of the ITC, in the event of a transfer of the Certificates between two interest payment dates, Belgian legal entities have to pay a 15% withholding tax on the accrued interest corresponding to the detention period.

Capital gains realised on the sale of the Certificates to a party other than the Issuer, except in respect of that part of the sale price attributable to the pro rata interest component, are in principle tax exempt.

Capital losses on the Certificates are generally not tax deductible.

## **1.4 Non-resident investors**

The interest income on the Certificates paid through a professional intermediary in Belgium will, in principle, be subject to a 15 % withholding tax. If the investor is a resident of a country that has entered into a double taxation agreement with Belgium, a reduction or an exemption of withholding tax may be applicable under specified circumstances.



Non-resident investors can obtain an exemption of Belgian withholding tax on interest from the Certificates if they deliver an affidavit confirming their non-resident status, provided (i) they hold the Certificates in full ownership or usufruct, (ii) the Certificates are paid through a Belgian financial institution, stock market company or clearing institution and (iii) the Certificates are not used for carrying out a business in Belgium by the Issuer or by the Certificate holder.

The non-residents who use the debt instruments to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as Belgian resident companies.

### **1.5 The EU Savings Directive**

Under EC Council Directive 2003/48/EC regarding the taxation of savings income, since July 1, 2005 Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a paying agent (within the meaning of the Savings Directive) to (or under certain circumstances, to the benefit of) an individual resident in another Member State. However, this requirement does not apply to Austria, Belgium and Luxembourg who are instead required to impose a withholding system (i.e. the source tax) for a transitional period unless the beneficiary of the interest payments elects for the exchange of information. The Source Tax rate is initially 15%, increasing steadily to 20% and to 35%. The ending of such transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries.

A number of non-EC countries and territories, including Switzerland, have agreed to adopt similar measures with effect from the same date.

## **2. Warrants**

Payments with respect to the Warrants will in principle not be subject to Belgian withholding tax in the sense of article 261 ITC.

Other rules can be applicable in special situations, in particular with respect to Debt Warrants, when the return on the underlying basket of debt securities or single debt security is fixed, in which case the holders of Warrants could be subject to the tax regime applicable to the Certificates.

## **SPANISH TAXATION**

The statements herein regarding withholding taxes in Spain are based on the laws in force in Spain as of the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities. Each prospective holder or beneficial owner of Securities should consult its tax advisor as to the Spanish tax consequences of the ownership and disposition of the Securities.

### **1. Spanish resident individuals**

#### **1.1 Certificates**

##### **Personal Income Tax**

Personal Income Tax (hereinafter, **PIT**) is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish holder of the Certificates may receive under the Certificates will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties).

Both parts of income will be included in the savings part of the taxable income subject to PIT at the flat tax rate which is currently 18 per cent.

Spanish holders of the Certificates shall compute the gross interest obtained, in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Certificates will be calculated as the difference between (a) their disposal, redemption or reimbursement value and (b) their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Certificates may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses related to the management and deposit of the Certificates, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Certificates cannot be offset if the investor acquires homogeneous securities within the two month period prior or subsequent to the transfer of the Certificates, until he/she transfers such homogeneous securities.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Certificates, if any.

##### **Spanish Inheritance and Gift Tax**

Spanish Inheritance and Gift Tax is levied on transfers of Certificates upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60%, although the tax situation may vary depending on any applicable regional tax laws.

### **Spanish Wealth Tax**

Spanish Wealth Tax is levied, on an annual basis, on the Certificates held on 31 December. General tax rates currently range between 0.2 and 2.5%, although these may vary depending on any applicable regional tax laws.

## **1.2 Warrants**

### **Personal Income Tax**

The premium or amount paid for the subscription of the Warrants would not be considered as a deductible expense, but as the acquisition value, which would include the expenses and commissions, inherent to the acquisition, paid by the acquirer.

Income obtained by owners of the Warrants covered by this Prospectus on their transfer before the expiration date, will be considered as capital gains or losses on the terms of article 33 Law 35/2006 of Personal Income Tax of November 28<sup>th</sup> (hereinafter, PIT Act). The gain or loss shall be calculated as a difference between the transfer value, once any expenses and commissions paid by the taxpayer have been deducted, and the acquisition value, as it has been defined above.

Upon the exercise of the Warrants, income obtained would be considered as capital gain or loss, being calculated as the difference between (i) the Cash Settlement Amount, once deducted the expenses and commissions paid by the taxpayer, and (ii) the acquisition value defined above.

Failure to exercise any Warrants on the expiration date would give rise to a capital loss on the acquisition value.

Income derived from the transfer or exercise of the Warrants will be included in the savings part of the taxable income subject to PIT at the flat tax rate which is currently 18 per cent.

### **Spanish Inheritance and Gift Tax**

Spanish Inheritance and Gift Tax is levied on transfers of Warrants upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65 to 81.60%, although the tax situation may vary depending on any applicable regional tax laws.

### **Spanish Wealth Tax**

Spanish Wealth Tax is levied, on an annual basis, on the Warrants held on 31 December. General tax rates currently range between 0.2 and 2.5%, although these may vary depending on any applicable regional tax laws.

## **2. Legal Entities with Tax Residence in Spain**

### **2.1 Certificates**

#### **Corporate Income Tax**

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates obtained by entities which are tax resident in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for limited liability companies is currently 32.5 per cent and shall be 30 per cent by January 1, 2008. However small sized companies could benefit from the reduced tax rate of 25 per cent, on the first EUR 120,202,41 of their taxable profits. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Certificates, if any.

## **2.2 Warrants**

As a general rule, income obtained either through the transfer or the exercise of the warrants and obtained by taxpayers subject to Corporate Income Tax will be included in their taxable income under general provisions.

## **3. Individuals and Legal Entities with no Tax Residence in Spain**

### **3.1 Certificates**

A non-resident holder of Certificates who has a permanent establishment in Spain to which such Certificates are attributable, is subject to Spanish Non-Residents' Income Tax, on any income obtained under the Certificates including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to resident corporate income taxpayers.

### **3.2 Warrants**

As a general rule, income obtained by a permanent establishment located in Spain of a non resident would be subject to taxation in a similar way than that applicable to Spanish Company, without prejudice of the Double Taxation Treaties signed by Spain.

## **4. Spanish withholding tax**

BNP Paribas has been advised that, under Spanish tax law currently in effect, the Issuer should not be obliged to deduct withholdings on account of Spanish income taxes since it is not a Spanish tax resident entity and does not have a permanent establishment in Spain to which the issue of the Certificates is connected (income from Warrants will always be exempt from withholding in Spain).

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Certificates or intervenes as manager on the collection of any income under the Certificates, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Certificates.

The current withholding tax in Spain is 18 per cent. Amounts withheld in Spain, if any, can be credited against the final Spanish PIT liability, in the case of Spanish resident individuals, or against Spanish final Corporate Income Tax liability, in the case of Spanish corporate or Spanish permanent establishments of non resident entities. However, holder of the Certificates who are Corporate Income Taxpayers can benefit from a withholding tax exemption when the Certificates are listed in an OECD official stock exchange.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the regulations of Spanish PIT Act when intervening in the transfer or reimbursement of the Certificates.

With regard to Warrants, any income will be exempt from withholding in Spain.

## UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Securities issued by BNP Paribas London Branch and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating to United Kingdom withholding tax, certain stamp duty and stamp duty reserve tax. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of Securities will depend for each issue on the terms of the Securities, as specified in the Terms and Conditions of the Securities as amended and supplemented by the applicable Final Terms under the law and practice at the relevant time. Prospective holders of Securities should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Securities.

### 1. Warrants

#### 1.1 Withholding Tax

Payments under Warrants issued by BNP Paribas London Branch that are derivative contracts for the purposes of the Finance Act 2002 should not be subject to United Kingdom withholding tax.

#### 1.2 Stamp Duty and Stamp Duty Reserve Tax (SDRT)

A Global Warrant may be subject to United Kingdom stamp duty if it is executed in the United Kingdom or if it relates to any property situate, or to any matter or thing done or to be done, in the United Kingdom. However, in the context of retail covered warrants listed on the London Stock Exchange, HM Revenue and Customs (**HMRC**) has indicated that no charge to United Kingdom stamp duty will arise on the grant of such warrants. It is not clear whether or not HMRC would be prepared to take such a view in relation to a Global Warrant.

If a Global Warrant is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty as United Kingdom stamp duty is not an assessable tax. However, a Global Warrant which is not duly stamped cannot be used for any purpose in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

If a Global Warrant is subject to United Kingdom stamp duty, and it becomes necessary to pay that stamp duty (for example because this is necessary in order to enforce the document in the United Kingdom), interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the Global Warrant to the date of payment of the stamp duty. Penalties may also be payable if a Global Warrant which was executed outside the United Kingdom is not stamped within 30 days of first being brought into the United Kingdom. If any United Kingdom stamp duty is required to be paid, it would be payable at a rate of 0.5 per cent. by reference to the amount of consideration given for the issue of Warrants represented by that Global Warrant.

SDRT may be payable in relation to any agreement to transfer Physical Delivery Warrants which give the holder the right on exercise to acquire stock, shares or loan capital unless such stock, shares or loan capital would qualify as exempt securities for SDRT purposes.

SDRT may be payable in respect of the agreement to transfer an asset pursuant to a Physical Delivery Warrant following the exercise of the Warrant. However, any such liability to SDRT will be cancelled (or, if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

## **2. Certificates**

### **2.1 Withholding Tax**

- (a) The Issuer, provided that it continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the **Act**), and provided that the interest on the Certificates is paid in the ordinary course of its business within the meaning of section 878 of the Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.
- (b) Payments of interest on the Certificates may be made without deduction of or withholding on account of United Kingdom income tax provided that the Certificates continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "Act"). The London Stock Exchange is a recognised stock exchange. Under HMRC published practice, securities will be treated as listed on the London Stock Exchange if they are admitted to the Official List by the United Kingdom Listing Authority and admitted to trading by the London Stock Exchange. The Luxembourg Stock Exchange is also a recognised stock exchange. Under a United Kingdom HMRC interpretation, the Certificates will satisfy this requirement if they are listed by the competent authority in Luxembourg and are admitted to trading by the Luxembourg Stock Exchange. Provided, therefore, that the Certificates remain so listed, interest on the Certificates will be payable without withholding or deduction on account of United Kingdom tax.

The United Kingdom Finance Bill 2007 contains a proposed new statutory meaning of references to securities which are "listed on a recognised stock exchange". The draft legislation provides that securities will be treated as listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. It is understood that this new definition is not intended to alter the position described above in respect of securities that are listed and admitted to trading on a market of a stock exchange which was already designated as a recognised stock exchange before 21 March 2007.

- (c) Interest on the Certificates may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Certificates is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Certificates is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.
- (d) In other cases, an amount must generally be withheld from payments of interest on the Certificates on account of United Kingdom income tax at the savings rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Holder of Certificates, HMRC can issue a notice to the Issuer to pay interest to the Holder of Certificates without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### **2.2 Provision of Information**

Holders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Holder, or who either pays amounts payable on the redemption of Certificates to or receives such amounts for the benefit of another person although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of such amounts payable on redemption of Certificates where such amounts are paid on or before 5 April

2008. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Holder is resident for tax purposes.

### **2.3 Stamp Duty and SDRT**

United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset on redemption of a Physical Delivery Certificate.

SDRT may be payable in relation to any agreement to transfer Physical Delivery Certificates which give the holder an interest in, rights arising out of, or the right to acquire stocks, shares or loan capital registered on a register kept in the United Kingdom.

SDRT may be payable in respect of the agreement to transfer an asset on redemption of a Physical Delivery Certificate. However, any such liability to SDRT will be cancelled (or if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

## ITALIAN TAXATION

The following is a summary of current Italian law and practise relating to the taxation of the Warrants and Certificates (the Securities). The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Legislative Decree No. 344 of 12 December 2003 published in the Italian Official Gazette of 16 December 2003 No. 261 (Ordinary Supplement No. 190), effective as of 1 January 2004 introduced the reform of taxation of corporations and of certain financial income amending the Italian Income Taxes Consolidated Code.

Legislative Decree No. 247 of 19 November 2005 (known as the Correttivo IRES) published in the Italian Official Gazette No. 280 of 1 December 2005, amended Decree No. 344 on certain provisions related to the taxation of corporations and of certain financial income.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

In the near future, the Italian Government could be authorised by the Parliament to amend the tax treatment of financial income, introducing a fixed withholding tax on financial incomes not exceeding 20 per cent., which may impact upon the tax regime of the Securities.

### Italian taxation of Securities

Pursuant to Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Securities are subject to a 12.5% substitute tax (imposta sostitutiva). The recipient may opt for three different taxation criteria:

- (1) Under the tax declaration regime (regime della dichiarazione), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the imposta sostitutiva on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay imposta sostitutiva on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
- (2) As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the imposta sostitutiva separately on capital gains realised on each sale or redemption of the Securities (the “risparmio amministrato” regime). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the risparmio amministrato regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for imposta sostitutiva in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains



realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in the annual tax return.

- (3) Any capital gains realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have opted for the so-called “*risparmio gestito*” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent. substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder’s income tax return and are therefore subject to Italian corporate tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities are held outside of Italy.

### **Atypical securities**

In accordance with a different interpretation of current tax law, it is possible that Certificates would be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Certificates may be subject to an Italian withholding tax, levied at the rate of 27 per cent.

The 27 per cent. withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Certificate and to an Italian resident holder of the Certificate which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

### **Payments made by a non resident Guarantor**

With respect to payments made to Italian resident Securityholders by a non Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non resident guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of

non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

### **Implementation in Italy of the EU Savings Directive**

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (Decree No. 84). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian paying agents (i.e. banks, società di intermediazione mobiliare (SIM), fiduciary companies, società di gestione del risparmio (SGR) resident for tax purposes in Italy, Italian permanent establishments of non-Italian resident persons and any other Italian entity paying interest for professional or business reasons) shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

## GERMAN TAXATION

The following comments are of a general nature and included herein solely for information purposes. These comments are limited to German withholding taxation as currently applicable and do not contain any statements as to German tax liability and tax consequences of the purchase, holding or disposal of the Securities. These comments are not intended to be, nor should they be construed to be, legal or tax advice. No representation with respect to the consequences to any particular prospective holder of a Securities is made hereby. Any prospective holder of a Security should consult their own tax advisers in all relevant jurisdictions.

The information contained in this section is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Securities. It is based upon German tax laws (including tax treaties) and administrative decrees as in effect as of the date hereof, which are subject to change, potentially with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SECURITIES.

### *German tax residents*

If the payments under the Securities qualify as investment income (Sec. 20 Income Tax Act, *Einkommensteuergesetz*), interest income and income similar to interest income are subject to a withholding tax of 31.65% If coupons etc. are presented at the counter of a domestic bank ("**over-the-counter-transactions**"), the withholding tax is 36.925% The withholding tax may be credited or refunded within the tax assessment. No German withholding tax applies if the Certificates are held with a non-German custodian bank.

If the Securities can be qualified as speculative income, no German withholding tax is imposed. Securities can be qualified as speculative income if the Securities neither guarantee or grant (i) a repayment of principal in total or in part (ii) nor any remuneration (especially no interest).

### *Non-tax residents*

Foreign-resident holders of Securities who do not have a tax presence in Germany (e.g. permanent establishment, fixed place of business or an appointed permanent representative in the Federal Republic of Germany) are subject to German taxation only with regard to over-the-counter transactions. Withholding tax at a rate of 36.925% is levied in these cases which might be refundable in total or in part.

## U.S. FEDERAL INCOME TAXATION

United States Internal Revenue Service (the “**IRS**”) Circular 230 Notice: To ensure compliance with IRS Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Base Prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

The following summary describes certain U.S. federal income tax considerations that may be relevant to a U.S. holder (as defined below) who purchases a Warrant or Certificate. The rules governing the U.S. federal income taxation of option transactions and other derivative financial instruments are complex and depend on a taxpayer’s particular circumstances. Accordingly, this summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular investor in a Warrant or Certificate. In particular, this summary deals only with U.S. holders of a Warrant or Certificate who purchase in the initial offering at the applicable issue price and in whose hands the stock, debt or other property underlying the Warrant or Certificate would be capital assets for tax purposes. In addition, this discussion assumes that the Warrants are treated as options for U.S. federal income tax purposes, and that when issued they are not significantly “in-the-money”.

This summary also does not discuss the U.S. federal income tax treatment of a U.S. holder who is a member of a class of holders subject to special rules, such as:

- a dealer in securities or derivative financial instruments;
- a trader in securities or derivative financial instruments that elects to use a mark to-market method of accounting for securities holdings;
- a bank;
- a life insurance company;
- a tax-exempt organization;
- entities that are treated for U.S. federal income tax purposes as partnerships or other pass through entities;
- an investor who purchases a Warrant or Certificate with respect to stock in a company that is treated as a passive foreign investment company (“**PFIC**”) for U.S. federal income tax purposes;
- an investor who purchases a Warrant or Certificate and holds any other position (whether long or short, direct or indirect) in any asset underlying such Warrant or Certificate;
- an investor who purchases a Warrant or Certificate that is part of a hedging transaction or that has been hedged against currency risk;
- an investor who purchases a Warrant or Certificate that is part of a straddle or conversion transaction for tax purposes; and
- an investor whose functional currency for tax purposes is not the U.S. dollar.

As a consequence of the foregoing, it should be particularly noted that this summary does not address the special tax considerations that apply to an investment in a combination of Warrants or Certificates with respect to the same

underlying assets. Further, this summary does not address alternative minimum tax consequences or the indirect effects on the holders of equity interests in a holder of a Warrant or Certificate.

Any of the foregoing circumstances might substantially alter the tax consequences described below, and, in some instances, may require specific identification of positions in the relevant Warrant or Certificate before the close of the day on which they are acquired. For example, if the straddle rules were to apply, a U.S. holder of a Warrant or Certificate might be required to (i) recognize all or a portion of any gain on such Warrant or Certificate that would otherwise be long-term or short-term capital gain, as ordinary income or, if applicable, short-term capital gain, (ii) defer all, or a portion, of any loss realized upon the sale, exchange, exercise, cancellation or lapse of such Warrant or Certificate and (iii) capitalize any interest or carrying charges incurred by such U.S. holder with respect to such Warrant or Certificate.

This summary is based on laws, judicial decisions, and regulatory interpretations in effect on the date hereof, all of which are subject to change, possibly on a retroactive basis.

Additional U.S. federal income tax consequences, if any, applicable to a particular Warrant or Certificate (including any Inflation Warrant, Inflation Certificate, Hybrid Warrant or Hybrid Certificate) will be set forth in the applicable Final Terms.

The rules governing the taxation of option transactions and derivative financial instruments are complex and depend on a taxpayer's particular circumstances. U.S. holders are strongly urged to consult their own tax advisors concerning the U.S. federal, state, local, foreign and other national tax consequences of the ownership and disposition of Warrants or Certificates in their particular circumstances. U.S. holders should also consult their tax advisors as to the possibility of changes of law affecting taxation of derivative financial instruments with contingent payments, including prepaid forward contracts.

For purposes of this discussion, a "U.S. holder" is a holder of a Warrant or Certificate that is (i) an individual who is a citizen or resident of the United States, (ii) a domestic corporation or (iii) otherwise subject to U.S. federal income taxation on a net income basis in respect of the Warrant or Certificate. A "non-U.S. holder" is a holder of a Warrant or Certificate that is a nonresident alien individual or a foreign corporation.

## **Warrants**

### ***Premium***

Premium paid by a U.S. holder for a Warrant will generally be treated as a nondeductible capital expenditure, and premium received by a U.S. holder for a Warrant that it writes will generally not be includible in income upon receipt. As described in the following two sections, the amount of such premium will be taken into account upon the exercise, sale, transfer, cash settlement, or lapse of the Warrant.

### ***Physical Settlement of Warrants***

A U.S. holder who receives the underlying property pursuant to the exercise of a Call Warrant that the investor has purchased or pursuant to the exercise of a Put Warrant that the investor has written will generally not recognize gain or loss on such exercise. Instead, the investor will generally be treated as purchasing the underlying property as of the exercise date in exchange for the sum of the exercise price and the amount of the premium that the investor paid for the Warrant (or, in the case of a Warrant written by the investor, for the exercise price reduced by the amount of the premium that the investor received for the Warrant). The investor's holding period for the underlying property will begin on the day after the date of exercise or, in the case of stock or corporate securities, on the exercise date.

A U.S. holder who delivers the property underlying a Put Warrant pursuant to the exercise of such Warrant that the investor has purchased will generally be treated as selling the underlying property as of the exercise date. Accordingly, such an investor will generally recognize capital gain or loss equal to the difference between (i) the exercise price less

the amount of the premium that the investor paid for the Put Warrant and (ii) the investor's tax basis in the underlying property. Because the purchase of a Put Warrant will generally constitute a "short sale" within the meaning of Section 1233 of the Internal Revenue Code of 1986, as amended (the "**Code**"), whether such capital gain or loss will be long-term or short-term capital gain or loss will depend on the application of the short sale rules. In addition, a U.S. holder may be subject to the straddle rules with respect to its investment in the Warrant. U.S. holders should consult their own tax advisors with regard to the application of the short sale and straddle rules in their particular circumstances.

### ***Sale, Transfer, Cash Settlement, or Lapse of Warrants***

A U.S. holder who has purchased a Warrant will generally recognize capital gain or loss upon the sale, transfer, cash settlement or lapse of the Warrant in an amount equal to the difference between (i) the amount realized by the investor from such sale, transfer, settlement, or lapse and (ii) the amount of the premium that the investor paid for the Warrant. Such capital gain or loss generally will be long-term capital gain or loss if the Warrant was held for more than one year. Certain exceptions to such treatment are noted below and, if appropriate, may be addressed in the applicable Final Terms. A U.S. holder who has written a Warrant will generally recognise short-term capital gain (equal to the premium) upon a lapse of the Warrant.

### ***Mark-to-Market Rules***

Under Section 1256 of the Code, special mark-to-market and character rules apply in the case of certain "nonequity" options (including in respect of debt). Unless the Warrants are listed on a "qualified board or exchange" for purposes of Section 1256, however, these mark-to-market rules will not be applicable to U.S. holders of the Warrants. The U.S. Treasury Department has not currently designated the Luxembourg Stock Exchange as a "qualified board or exchange." The rules under Section 1256 will not apply to the Share Warrants in any event.

## **Certificates**

### ***Classification of the Certificates***

Depending on the terms of a Certificate, such Certificate could be treated as one or more of the following: (i) a prepaid forward contract (which, depending on the terms, may be subject to embedded options), (ii) a combination of a loan (or deposit) and a forward contract, (iii) an outright or constructive ownership interest in the property underlying such Certificate, (iv) a contingent payment debt instrument, or (v) a combination of a loan (or deposit) and one or more options. Additional U.S. federal income tax consequences applicable to a particular issuance of Certificates will be set forth in the applicable Final Terms.

No ruling is being requested from the Internal Revenue Service ("**IRS**") with respect to the Certificates, and the treatment of the Certificates described below is not binding on the IRS or the courts. As a result, significant aspects of the U.S. federal income tax consequences of an investment in the Certificates are uncertain.

### ***Tax Treatment of (Prepaid) Forward Contracts (With or Without a Loan)***

If any Certificates are treated as (prepaid) forward contracts (with or without a loan) for U.S. federal income tax purposes, the following description should apply to such Certificates.

**Interest Payments.** Payments of interest (if any) will generally be taxable to a U.S. holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. holder's method of tax accounting).

**Physical Settlement.** If the Certificates are treated as (prepaid) forward contracts, a U.S. holder who receives underlying stock or debt pursuant to the settlement of a Certificate that the investor has purchased will generally not recognize gain or loss on such settlement. The investor will generally be treated as acquiring the property underlying the Certificate, as of the date of settlement, in exchange for the amount that it paid to acquire the Certificates.

*Cash Settlement, Sale, or Other Disposition of the Certificates.* If the Certificates are treated as (prepaid) forward contracts, upon the receipt of cash upon settlement of a Certificate or upon the sale or other disposition of such Certificate, a U.S. holder will recognize taxable gain or loss, equal to the difference between the amount realized (generally, the amount of cash received) and such U.S. holder's tax basis in the Certificate. In general, a holder's tax basis in a Certificate will equal the amount that such holder paid to acquire the Certificate. Subject to the discussion below under "Constructive Ownership," any such gain or loss generally will be long-term capital gain or loss if the Certificates were held for more than one year at the time of settlement or at the time of sale or other disposition.

*Constructive Ownership.* Some or all of the net long-term capital gain arising from certain "constructive ownership" transactions may be characterized as ordinary income, in which case an interest charge would be imposed on the deemed underpayment of tax on any such ordinary income treated as deferred under these rules. These rules have no immediate application to forward contracts in respect of most property underlying the Certificates, since they are only applicable to the extent that the underlying property directly or indirectly includes shares of issuers treated as PFICs or as certain "pass thru" entities. These rules, however, grant discretionary authority to the U.S. Treasury Department to expand the scope of "constructive ownership" transactions to include forward contracts in respect of the stock of all corporations, in addition to forward contracts in respect of any debt instrument. The rules separately also direct the Treasury to promulgate regulations excluding a forward contract that does not convey "substantially all" of the economic return on any underlying asset from the scope of "constructive ownership" transactions. It is not possible to predict whether such regulations will be promulgated by the U.S. Treasury Department, or the form or effective date that any regulations that may be promulgated might take.

### ***Interest in the Underlying Property***

Depending on the terms of particular Certificates, a U.S. holder could be treated as owning the property underlying those Certificates for U.S. federal income tax purposes. In that event, for example, in the case of Index Certificates, the U.S. holder would be required to recognize appropriate amounts of capital gain on the disposition of any shares included in the underlying Index each time that the Index is rebalanced. In such a case, such U.S. holder also would be subject to tax on dividends on shares included in the Index in an amount equal to the gross dividends paid by companies whose shares are included in the Index. In addition, any current expenses (including any withholding taxes) in respect of shares included in the Index would be treated as if made directly by the U.S. holder, and the deductibility of such expenses (or creditability of such withholding taxes) could be subject to certain limitations.

### ***Contingent Payment Debt Instruments***

If any Certificates are treated as contingent payment debt instruments, the tax consequences to a U.S. holder would be determined under U.S. Treasury regulations governing contingent payment debt instruments (the "**Contingent Payment Regulations**"). The Contingent Payment Regulations are complex, but very generally apply the original issue discount rules of the Code to a contingent payment debt instrument by requiring that original issue discount be accrued every year at a "comparable yield" for the issuer of the instrument, determined at the time of issuance of the obligation. In addition, the Contingent Payment Regulations require that a projected payment schedule, which results in such a "comparable yield" be determined by the issuer, and that adjustments to income accruals be made to account for differences between actual payments and projected amounts. To the extent that the comparable yield as so determined exceeds the projected payments on a contingent debt instrument in any taxable year, the owner of that instrument will recognize ordinary interest income for that taxable year in excess of the cash the owner receives and such excess would increase the U.S. holder's tax basis in the debt instrument. In addition, any gain realized on the sale, exchange or redemption of a contingent payment debt instrument will be treated as ordinary income. Any loss realized on such sale, exchange or redemption will be treated as an ordinary loss to the extent that the holder's original issue discount inclusions with respect to the obligation exceed prior reversals of such inclusions required by the adjustment mechanism described above. Any loss realized in excess of such amount generally will be treated as a capital loss.

### ***Loan and One or More Options***

If any Certificates are treated as a combination of a loan (or deposit) and one or more options, in general, payments of interest (if any) will be taxable to a U.S. holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. holder's method of tax accounting), while payments in respect of the options would be taxable in a manner similar to the taxation of corresponding payments under Warrants.

### ***Possible Alternative Tax Treatment***

If a Certificate is treated as a unit consisting of a loan and a forward contract (or a loan and one or more options), a U.S. holder could be required to accrue a significant amount of original issue discount on a current basis during the period in which it holds the Certificate.

It is also possible that future regulations or other IRS guidance would require a U.S. holder to accrue income on the Certificates or Warrants on a current basis. The IRS and U.S. Treasury Department recently issued proposed regulations that require the current accrual of income with respect to contingent nonperiodic payments made under certain notional principal contracts. The preamble to the regulations states that the "wait and see" method of tax accounting does not properly reflect the economic accrual of income on such contracts, and requires a current accrual of income with respect to some contracts already in existence at the time the proposed regulations were released. While the proposed regulations do not apply to prepaid forward contracts, the preamble to the proposed regulations expresses the view that similar timing issues exist in the case of prepaid forward contracts. If the IRS published future guidance requiring current accrual of income with respect to contingent payments on prepaid forward contracts, it is possible that a U.S. holder could be required to accrue income over the term of the Certificates.

### **Foreign Currency Rules**

Payments of premium, exercise price, sale proceeds, and cash settlement amounts in respect of Warrants or Certificates that are denominated in a currency other than the U.S. dollar will be subject to special U.S. tax rules regarding foreign currency transactions. U.S. holders should consult their own tax advisors concerning the application of these rules in their particular circumstances.

### **Non-U.S. Holders**

Except as noted in the applicable Final Terms, the following summary describes the tax consequences to non U.S. holders of investing in Warrants or Certificates.

Under U.S. federal income tax law as currently in effect, holders of Certificates that are non-U.S. holders will not be subject to U.S. federal income taxes, including withholding taxes, on any payments of interest on the Certificates so long as the beneficial owner of the Certificates provides a Internal Revenue Service Form W 8BEN or otherwise satisfies applicable documentary requirements for establishing that it is a non-U.S. holder, unless such interest is effectively connected with the conduct by the holder of a trade or business in the United States.

Provided that the beneficial owner of the Warrant or Certificate provides an Internal Revenue Service Form W-8BEN or otherwise satisfies applicable documentary requirements for establishing that it is a non-U.S. holder, the gain realized on any the sale or exchange of the Warrants or Certificates or lapse of the Warrants by a non-U.S. holder will not be subject to U.S. federal income tax, including withholding tax, unless (i) such gain is effectively connected with the conduct by the holder of a trade or business in the United States or (ii) in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and either (A) such gain or income is attributable to an office or other fixed place of business maintained in the United States by such holder or (B) such holder has a tax home in the United States.



## **Information Reporting and Backup Withholding**

The paying agent will be required to file information returns with the IRS with respect to payments made to certain U.S. holders of Warrants or Certificates. In addition, certain U.S. holders may be subject to backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the paying agent. Persons holding Warrants or Certificates who are not U.S. holders may be required to comply with applicable certification procedures to establish that they are non-U.S. holders in order to avoid the application of such information reporting requirements and backup withholding tax.

## **OTHER TAXATION**

The payment of the Cash Settlement Amount on the Securities, if any, will be made subject to withholding taxes and taxes which the law may impose on holders of the Securities.

Individuals and legal entities should consult their usual tax advisors with respect to the tax treatment which applies to them.

In addition, holders of the Securities should comply with the tax laws applicable in the jurisdiction in which they are resident, subject to the application of any applicable tax treaty in force between France or, as the case may be, the Netherlands, and such jurisdiction.

Purchasers of Securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Security.

**TRANSACTIONS INVOLVING SECURITIES MAY HAVE TAX CONSEQUENCES FOR POTENTIAL PURCHASERS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE POTENTIAL PURCHASER AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING SECURITIES SHOULD CONSULT THEIR OWN TAX ADVISERS.**

Transactions involving Securities may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and may relate to transfer and registration taxes.

Condition 12 ("*Expenses and Taxation*") (in relation to Warrants) and Condition 12 ("*Expenses and Taxation*") (in relation to Certificates) should be considered carefully by all potential purchasers of any Securities.

**All prospective holders should seek independent advice as to their tax positions.**

## U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

The U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), imposes certain restrictions on employee benefit plans (“**ERISA Plans**”) that are subject to ERISA and on persons who are fiduciaries with respect to these ERISA Plans. In accordance with ERISA’s general fiduciary requirements, a fiduciary with respect to an ERISA Plan who is considering the purchase of U.S. Securities on behalf of the ERISA Plan should determine whether the purchase is permitted under the governing ERISA Plan documents and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Other provisions of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended (the “**Code**”), prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (“**IRAs**”) or Keogh plans (together with any entities whose underlying assets include the assets of any such plans or accounts and with ERISA Plans, “**Plans**”)) and persons who have certain specified relationships to the Plan (“parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of Section 4975 of the Code). A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. A fiduciary of a Plan (including the owner of an IRA) that engages in a prohibited transaction may also be subject to penalties and liabilities under ERISA and/or the Code.

BNPP, directly or through its affiliates, may be considered a “party in interest” or a “disqualified person” with respect to many Plans. The purchase of U.S. Securities by a Plan with respect to which BNPP is a party in interest or a disqualified person may constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire such U.S. Securities and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption (“**PTCE**”) 84-14 (an exemption for certain transactions determined by an independent qualified professional asset manager), PTCE 91-38 (an exemption for certain transactions involving bank collective investment funds), PTCE 90-1 (an exemption for certain transactions involving insurance company pooled separate accounts), PTCE 95-60 (an exemption for certain transactions involving insurance company general accounts), PTCE 96-23 (an exemption for certain transactions determined by an in-house asset manager) or section 408(b)(17) of ERISA and section 4975(d)(20) of the Code (together, an exemption for transactions with certain providers). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the U.S. Securities. Any Plan fiduciary (including the owner of an IRA) considering the purchase of U.S. Securities should consider carefully the possibility of prohibited transactions and the availability of exemptions. U.S. governmental, church and non-U.S. plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to local, state, federal or non-U.S. laws that are substantially similar to the foregoing provisions of ERISA and the Code. ANY PENSION OR OTHER EMPLOYEE BENEFIT PLAN, INCLUDING ANY SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN AND ANY INDIVIDUAL RETIREMENT ACCOUNT, PROPOSING TO ACQUIRE ANY U.S. SECURITIES SHOULD CONSULT WITH ITS COUNSEL.

By its purchase of any U.S. Security, the purchaser or transferee thereof (and the person, if any, directing the acquisition of the offered U.S. securities by the purchaser or transferee) will be deemed to represent, on each day from the date on which the purchaser or transferee acquires the U.S. Securities through and including the date on which the purchaser or transferee disposes of its interest in such U.S. Securities, either that (a) such purchaser or transferee is not a Plan, an entity whose underlying assets include the assets of any Plan by reason of Department of Labor Regulation section 2570.3-101 or otherwise, or a governmental, church or non-U.S. plan which is subject to any or non-U.S., federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and, disposition of such U.S. Securities (including, if applicable, the receipt of any Guaranty or Entitlement) will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or in the case of a governmental, church or non-U.S. plan, any substantially similar non-U.S., federal, state or local law)

unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.

Nothing herein shall be construed as a representation that any investment in U.S. Securities would meet any or all of the relevant legal requirements with respect to investments by, or is appropriate for, Plans generally or any particular Plan.

The above discussion may be modified or supplemented with respect to a particular offering of U.S. Securities, including the addition of further ERISA restrictions on purchase and transfer. Holders should consult the applicable Final Terms for such additional information.

## **NOTICE TO PURCHASERS AND HOLDERS OF U.S. SECURITIES AND TRANSFER RESTRICTIONS**

As a result of the following restrictions, purchasers of U.S. Securities are advised to consult legal counsel prior to making any purchase, offer, sale, resale, exercise, redemption or other transfer of such U.S. Securities.

Each purchaser of U.S. Securities will, by its purchase of such U.S. Securities, be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A, Regulation S or the Conditions are used herein as defined therein):

- (ii) that either: (a) in the case of the issue or transfer of a U.S. Security to or for a person who takes delivery in the form of U.S. Securities represented by a Rule 144A Global Security, it is a QIB, purchasing (or holding) the U.S. Securities for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of such U.S. Securities has been advised, that any sale to it is being made in reliance on Rule 144A or (b) in the case of the issue or transfer of U.S. Securities to or for a person who takes delivery in the form of a Private Placement Definitive Security, it is an AI, purchasing (or holding) such U.S. Security for its own account or for the account of one or more AIs and it is aware, and each beneficial owner of such U.S. Security has been advised, that any sale to it is being made in reliance on an exemption from the registration requirements of the Securities Act and it has delivered an Investor Representation Letter or (c) in the case of the issue or transfer of a U.S. Security to or for a person who takes delivery in the form of U.S. Securities represented by a Regulation S Global Security, it is outside the United States and is not a U.S. person;
- (iii) that in issuing a U.S. Security linked to any Relevant Asset, BNPP is not making, and has not made, any representations whatsoever as to the Relevant Asset or any information contained in any document filed by the issuer of such Relevant Asset with any exchange or with any governmental entity regulating the purchase and sale of securities or a U.S. Security linked to any Relevant Asset;
- (iv) that BNPP and any affiliate of BNPP may, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to the issuer of a Relevant Asset which is or may be material in the context of an issue of U.S. Securities linked to such Relevant Asset and which is or may not be known to the general public or any Holder. U.S. Securities linked to any Relevant Asset do not create any obligation on the part of BNPP or any affiliate to disclose to any Holder any such relationship or information (whether or not confidential) and neither BNPP nor any other affiliate of BNPP shall be liable to any Holder by reason of such non-disclosure. No such information has been used in the selection of any issuer of a Relevant Asset for any U.S. Securities linked to any Relevant Asset;
- (v) that BNPP and any affiliate of BNPP may have existing or future business relationships with the issuer of a Relevant Asset (including, but not limited to, lending, depositary, risk management advisory or banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for a Holder of a U.S. Security linked to the issuer of a Relevant Asset;
- (vi) that the market value of U.S. Securities linked to the issuer of a Relevant Asset may be adversely affected by movements in the value of the issuer of the Relevant Asset or in currency exchange rates;
- (vii) that the Settlement Amount in respect of any U.S. Security may be less than its issue price;
- (viii) that no U.S. Securities have been or will be registered under the Securities Act or any applicable U.S. state securities laws, and no U.S. Securities may be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

- (ix) if in the future it decides to resell, pledge or otherwise transfer the U.S. Securities or any beneficial interests in the U.S. Securities, it will do so only (a) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or to an AI pursuant to an exemption from registration under the Securities Act, (b) outside the United States to a non-U.S. person in compliance with Regulation S, (c) pursuant to another exemption from registration under the Securities Act (if available) or (d) pursuant to an effective registration statement under the Securities Act, in each case, in accordance with all applicable U.S. state securities laws and as provided in the applicable Final Terms;
- (x) it will, and will require each subsequent Holder to, notify any purchaser of U.S. Securities from it of the resale restrictions referred to in paragraph (ix) above, if then applicable;
- (xi) that U.S. Securities initially offered in the United States to QIBs will be represented by a Rule 144A Global Security, that U.S. Securities offered to AIs will be in the form of Private Placement Definitive Securities and that, in each such case, the U.S. Securities offered outside the United States in reliance on Regulation S will be represented by a Regulation S Global Security;
- (xii) on each day from the date on which it acquires U.S. Securities through and including the date on which it disposes of its interests in such U.S. Securities, either that (a) it is not an “employee benefit plan” as defined in Section 3(3) of ERISA subject to Title I of ERISA, a “plan” as defined in Section 4975(e)(1) of the Code subject to Section 4975 of the Code (including without limitation, an individual retirement account), an entity whose underlying assets include the assets of any such employee benefit plan or plan by reason of Department of Labor Regulation section 2510.3-10 or otherwise, or a governmental, church or non-U.S. plan which is subject to any non-U.S., federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and disposition of such U.S. Securities (including, if applicable, the receipt of any Guaranty or Entitlement) will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, violation of any substantially similar non-U.S., federal, state or local law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied.
- (xiii) that Rule 144A Global Securities will bear a legend to the following effect unless otherwise agreed to by BNPP:

“THE SECURITIES REPRESENTED BY THIS RULE 144A GLOBAL SECURITY HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). SECURITIES REPRESENTED BY THIS RULE 144A GLOBAL SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. BNP PARIBAS, THE ISSUER OF THIS RULE 144A GLOBAL SECURITY, HAS NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE PURCHASER OF ANY SECURITY REPRESENTED BY THIS RULE 144A GLOBAL SECURITY ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE SECURITIES SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER ANY SECURITY ONLY AS PROVIDED IN THE AGENCY AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS ATTACHED HERETO.

THE EXERCISE OR REDEMPTION OF THESE SECURITIES MAY BE RESTRICTED AS SET FORTH IN THE FINAL TERMS.

EACH HOLDER OF A BENEFICIAL INTEREST IN THE SECURITIES REPRESENTED BY THIS RULE 144A GLOBAL SECURITY SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH HOLDER OF SUCH ACCOUNT IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A AND

ACQUIRED SUCH INTEREST IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A. ANY RESALE OR OTHER TRANSFER OF AN INTEREST IN THE SECURITIES REPRESENTED BY THIS RULE 144A GLOBAL SECURITY SHALL REQUIRE THE TRANSFEROR TO SUBMIT TO THE RELEVANT AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 9 OF THE AGENCY AGREEMENT REFERRED TO HEREIN, TOGETHER, IN THE CASE OF TRANSFERS TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT, WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, IN THE FORM SET FORTH IN SCHEDULE 10 OF THE AGENCY AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE NEW YORK AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY BNPP THAT THE HOLDER OF ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS RULE 144A GLOBAL SECURITY WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT GIVEN BY SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID AB INITIO AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "DISQUALIFIED TRANSFEREE") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE ACQUISITION OF U.S. SECURITIES BY, OR ON BEHALF OF, OR WITH THE ASSETS OF ANY "EMPLOYEE BENEFIT PLAN" SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR ANY "PLAN" SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR ANY ENTITY PART OR ALL OF THE ASSETS OF WHICH CONSTITUTE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN BY REASON OF DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101 OR OTHERWISE, OR ANY GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO NON-U.S., FEDERAL, STATE OR LOCAL LAW SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE IS PROHIBITED UNLESS THE PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF U.S. SECURITIES (INCLUDING, IF APPLICABLE, THE RECEIPT OF ANY GUARANTY OR ENTITLEMENT) WOULD NOT RESULT IN ANY PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR UNDER SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, VIOLATION OF ANY SUBSTANTIALLY SIMILAR NON-U.S., FEDERAL, STATE OR LOCAL LAW).

IF REQUESTED BY THE ISSUER OR BY AN AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF SECURITIES REPRESENTED BY THIS RULE 144A GLOBAL SECURITY IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE SECURITIES AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE SECURITIES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF A SECURITY REPRESENTED BY THIS RULE 144A GLOBAL SECURITY, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

(xiv) that Private Placement Definitive Securities will bear a legend to the following effect unless otherwise agreed to by BNPP:

“THIS SECURITY HAS NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. BNP PARIBAS, THE ISSUER OF THIS SECURITY, HAS NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE PURCHASER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THIS SECURITY SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER THIS SECURITY ONLY AS PROVIDED IN THE AGENCY AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS ATTACHED HERETO.

THE EXERCISE OR REDEMPTION OF THESE SECURITIES MAY BE RESTRICTED AS SET FORTH IN THE FINAL TERMS. THIS SECURITY MAY ONLY BE TRANSFERRED, EXERCISED OR REDEEMED IN MINIMUM AMOUNTS OF U.S.\$250,000.

THE HOLDER OF THIS SECURITY SHALL BE REQUIRED TO REPRESENT WITH RESPECT TO ITSELF AND ANY ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND ANY HOLDER OF SUCH ACCOUNT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT AND ACQUIRED SUCH INTEREST IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ANY RESALE OR OTHER TRANSFER OF INTEREST IN THIS SECURITY SHALL REQUIRE THE TRANSFEROR TO SUBMIT TO THE RELEVANT AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 9 OF THE AGENCY AGREEMENT REFERRED TO HEREIN, TOGETHER, IN THE CASE OF A TRANSFER TO AN ACCREDITED INVESTOR, WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, IN THE FORM SET FORTH IN SCHEDULE 10 OF THE AGENCY AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE DEFINITIVE AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY INTEREST IN THIS SECURITY WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT GIVEN BY SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID AB INITIO AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A “DISQUALIFIED TRANSFEREE”) AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE ACQUISITION OF U.S. SECURITIES BY, OR ON BEHALF OF, OR WITH THE ASSETS OF ANY “EMPLOYEE BENEFIT PLAN” SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), OR ANY “PLAN” SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR ANY ENTITY PART OR ALL OF THE ASSETS OF WHICH CONSTITUTE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN BY REASON OF DEPARTMENT OF LABOR REGULATION SECTION 2510.3- 101 OR OTHERWISE, OR ANY GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO NON-U.S., FEDERAL, STATE OR LOCAL LAW SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE IS PROHIBITED UNLESS THE PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF SUCH U.S. SECURITIES (INCLUDING, IF APPLICABLE, THE RECEIPT OF ANY GUARANTY OR ENTITLEMENT) WOULD NOT RESULT IN ANY PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR UNDER SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-



U.S. PLAN, VIOLATION OF ANY SUBSTANTIALLY SIMILAR NON-U.S., FEDERAL, STATE OR LOCAL LAW).

IF REQUESTED BY THE ISSUER OR BY AN AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS SECURITY IS PERMISSIBLE UNDER THE SECURITIES ACT.

THIS SECURITY AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS SECURITY, THE PURCHASER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.”

(xv) that Regulation S Global Securities will bear a legend to the following effect unless otherwise agreed to by BNPP:

“THE SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. BNP PARIBAS, THE ISSUER OF THIS REGULATION S GLOBAL SECURITY, HAS NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE PURCHASER OF ANY SECURITY REPRESENTED BY THIS REGULATION S GLOBAL SECURITY ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE SECURITIES SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER ANY SECURITY ONLY AS PROVIDED IN THE AGENCY AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS ATTACHED HERETO.

THE SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY MAY NOT BE EXERCISED BY OR ON BEHALF OF ANY U.S. PERSON (AS DEFINED IN REGULATION S) UNLESS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

EACH HOLDER OF A BENEFICIAL INTEREST IN THE SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH HOLDER OF SUCH ACCOUNT IS NOT A U.S. PERSON AND THAT IT AND EACH SUCH HOLDER HAS ACQUIRED SUCH INTEREST IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S AND WILL NOT ENGAGE IN HEDGING TRANSACTIONS WITH REGARD TO THE SECURITIES UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. ANY RESALE OR OTHER TRANSFER OF AN INTEREST IN THE SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY SHALL, DURING THE APPLICABLE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S), REQUIRE THE TRANSFEROR TO SUBMIT TO THE PRINCIPAL AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 9 OF THE AGENCY AGREEMENT REFERRED TO HEREIN, TOGETHER, IN THE CASE OF TRANSFERS TO AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) OF REGULATION D UNDER THE SECURITIES ACT, WITH A DULY EXECUTED INVESTOR REPRESENTATION LETTER FROM THE RELEVANT TRANSFEREE, IN THE FORM SET FORTH IN SCHEDULE 10 OF THE AGENCY AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE PRINCIPAL AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY

INTEREST IN THE SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT GIVEN BY SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID AB INITIO AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "DISQUALIFIED TRANSFEREE") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE ACQUISITION OF U.S. SECURITIES BY, OR ON BEHALF OF, OR WITH THE ASSETS OF ANY "EMPLOYEE BENEFIT PLAN" SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR ANY "PLAN" SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR ANY ENTITY PART OR ALL OF THE ASSETS OF WHICH CONSTITUTE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN BY REASON OF DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101 OR OTHERWISE, OR ANY GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO NON-U.S., FEDERAL, STATE OR LOCAL LAW SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE IS PROHIBITED UNLESS THE PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF SUCH U.S. SECURITIES (INCLUDING, IF APPLICABLE, THE RECEIPT OF ANY GUARANTY OR ENTITLEMENT) WOULD NOT RESULT IN ANY PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR UNDER SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, VIOLATION OF ANY SUBSTANTIALLY SIMILAR NON-U.S., FEDERAL, STATE OR LOCAL LAW).

IF REQUESTED BY THE ISSUER OR BY AN AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE SECURITIES AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THE SECURITIES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE REALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE PURCHASER OF SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."; and

- (xvi) that BNPP and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify BNPP; and if it is acquiring any U.S. Securities as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

AIs who purchase U.S. Securities are required to execute and deliver to the Definitive Warrant Agent or the Definitive Certificate Agent, as the case may be, an Investor Representation Letter. Upon execution and delivery of an Investor Representation Letter by an AI, Private Placement Definitive Securities will be issued.

The Investor Representation Letter will state, among other things, the following:

- (xvii) that the AI or an investment advisor acting on its behalf has reviewed a copy of this Base Prospectus and the Final Terms relating to the Securities, including, without limitation, the risk factors relating to the Securities, and such other information as it deems necessary in order to make its investment decision;
- (xviii) that the AI is acquiring the Securities purchased by it for its own account or for one or more accounts (each of which is an AI) as to each of which it exercises sole investment discretion and has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account, and not with a view to any resale, distribution or other disposition of the Securities, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control;
- (xix) that the purchaser and each account for which it is acting is an AI within the meaning of Rule 501(a) of Regulation D under the Securities Act, and that it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Securities, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;
- (xx) that, on each day from the date on which it acquires the U.S. Securities through and including the date on which it disposes of its interests in such U.S. Securities, either that (a) the AI is not an "employee benefit plan" as defined in Section 3(3) of ERISA subject to Title I of ERISA, a "plan" (defined in Section 4975(e)(1) of the Code subject to Section 4975 of the Code (including without limitation, an individual retirement account), an entity whose underlying assets include the assets of any such employee benefit plan or plan, or a governmental, church or non-U.S. plan which is subject to any non-U.S., federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (b) the AI's purchase, holding and disposition of such U.S. Securities (including, if applicable, the receipt of any Guaranty or Entitlement) will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, violation of any substantially similar non-U.S., federal, state or local law) unless an exemption is available with respect to such transactions and all the conditions of such exemption have been satisfied;
- (xxi) that the AI understands that any subsequent transfer of the Securities is subject to certain restrictions and conditions set forth in this Base Prospectus and the Final Terms relating to the Securities (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Securities except in compliance with such restrictions and conditions and the Securities Act;
- (xxii) that the AI is a sophisticated investor that, in the normal course of its business, invests in or purchases securities similar to the Securities and any Relevant Asset and has knowledge and experience in investment matters;
- (xxiii) that the AI acknowledges that (a) it did not rely on any investigation that the Issuer, any of its affiliates or any person acting on their behalf may have conducted with respect to any Relevant Asset or the issuer of any such Relevant Asset, and none of such persons has made any representation to it, express or implied, with respect to any such Relevant Asset and the issuer of any such Relevant Asset; (b) it conducted and relied on its own investigation with respect to the Relevant Asset; (c) it received all information that it believes is necessary or appropriate in connection with any such Relevant Asset;
- (xxiv) that the AI acknowledges that it assumes all economic risk of loss that may occur as a result of changes in the prices of the Securities and the Relevant Assets in accordance with the terms of the Securities, and that it will not look directly or indirectly on BNPP or its affiliates to indemnify it for such loss, and that it expressly holds BNPP and its affiliates harmless in respect of any such loss; and

(xxv) that the AI acknowledges that BNPP and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and it agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify BNPP.

## OFFERING AND SALE

No action has been or will be taken by BNPP B.V., BNPP or the Managers that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on BNPP B.V., BNPP and/or the Managers.

### United States

None of the Securities, the Guarantees or, in the case of Physical Delivery Securities, the Entitlement to be delivered upon the exercise (in the case of Physical Delivery Warrants) or the redemption (in the case of Physical Delivery Certificates) of such Securities have been, or will be, registered under the Securities Act or any state securities laws, and trading in the Securities has not been approved by the Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended. Neither Issuer has registered as an investment company pursuant to the Investment Company Act. Unless otherwise specified in the applicable Final Terms, the Securities are being offered and sold pursuant to the registration exemption contained in Regulation S under the Securities Act. No Securities of such series, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person, and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. The Securities of such series may not be legally or beneficially owned at any time by any U.S. person, as such term may be defined in Regulation S under the Securities Act, and accordingly are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

As used herein, a U.S. person is any person who is (i) a natural person resident in the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; or (vi) any other “U.S. person” as such term may be defined in Regulation S under the Securities Act.

If specified in the applicable Final Terms, certain issues of Securities of BNPP only may be offered and sold in the United States. Such U.S. Securities may only be offered and sold to (a) persons reasonably believed to be QIBs in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) certain AIs in reliance upon an exemption from the registration requirements of the Securities Act. In either such case, such U.S. Securities may concurrently be offered and sold to non-U.S. persons in offshore transactions in reliance on Regulation S. For further information on certain restrictions on resale, transfer, exercise and redemption, see “Notice to Purchasers and Holders of U.S. Securities and Transfer Restrictions.” Offers and sales of U.S. Securities in the United States will be made only through broker-dealers who are registered as such under the Exchange Act.

Securities related to a specified currency or basket of currencies, a specified commodity or basket of commodities, a specified interest rate or basket of interest rates or a specified inflation Index or basket of inflation Indices, or Hybrid Warrants related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, by or for the account or benefit of, persons that are U.S. persons as defined in Regulation S under the Securities Act or that are not non-United States Persons as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended.

U.S. Securities are being offered from time to time within the United States by the Bank through BNP Paribas Securities Corp., a broker-dealer affiliate of the Bank (the “**Initial Dealer**”), or one or more other broker-dealers appointed by the Bank from time to time (collectively with the Initial Dealer, the “**U.S. Dealers**”). The U.S. Securities may be sold to each U.S. Dealer at a discount, as principal, for resale to investors or other purchasers at varying prices related to prevailing market prices at the time of resale, to be determined by such U.S. Dealer or, if so agreed, at a fixed offering price. The Bank will have the sole right to accept offers to purchase U.S. Securities and may reject any proposed purchase of U.S. Securities in whole or in part. Each U.S. Dealer will have the right, in its discretion reasonably exercised, to reject any proposed purchase of U.S. Securities through it in whole or in part.

The Bank has reserved the right to sell U.S. Securities through one or more other dealers in addition to the U.S. Dealers and directly to investors on its own behalf in those jurisdictions where it is authorized to do so. No commission will be payable by the Bank to any of the U.S. Dealers on account of sales of U.S. Securities made through such other dealers or directly by the Bank.

In addition, the U.S. Dealers may offer the U.S. Securities they have purchased as principal to other dealers. The U.S. Dealers may sell U.S. Securities to any dealer at a discount and, unless otherwise specified in the applicable Final Terms, such discount allowed to any dealer will not be in excess of the discount to be received by such U.S. Dealer from the Bank. Unless otherwise indicated in the applicable Final Terms, any U.S. Securities sold to a U.S. Dealer as principal will be purchased by such U.S. Dealer at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to any agency sale of U.S. Securities of identical maturity, and may be resold by the U.S. Dealer to investors and other purchasers as described above. After the initial offering of U.S. Securities to be resold to investors and other purchasers, the offering price (in the case of U.S. Securities to be resold at a fixed offering price), the concession and discount may be changed.

The Bank has agreed to indemnify each U.S. Dealer against, or to make contributions relating to, certain civil liabilities, including liabilities under the Securities Act.

The Initial Dealer has advised the Bank that the Initial Dealer may make a market in the U.S. Securities; however, the Bank cannot provide any assurance that a secondary market for the U.S. Securities will develop. After a distribution of a series of U.S. Securities is completed, because of certain regulatory restrictions arising from its affiliation with the Bank, the Initial Dealer may not be able to make a market in such series of U.S. Securities or, except on a limited, unsolicited basis, effect any transactions for the account of any customer in such series of U.S. Securities. Other broker-dealers unaffiliated with the Bank will not be subject to such prohibitions.

This Base Prospectus and any Final Terms may be used by affiliates of the Bank in connection with offers and sales related to secondary market transactions in the U.S. Securities. Such affiliates may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing prices at the time of a sale.

BNP Paribas Securities Corp., the Initial Dealer for the U.S. Securities offered hereby, is a subsidiary of the Bank.

Each U.S. Dealer may be deemed to be an “underwriter” within the meaning of the Securities Act, and any discounts and commissions received by it and any profit realized by it on resale of the U.S. Securities may be deemed to be underwriting discounts and commissions.

Each purchaser of U.S. Securities offered hereby in making its purchase will be deemed to have represented and agreed with the Bank as set forth under “Notice to Purchasers and Holders of U.S. Securities and Transfer Restrictions” herein.

In connection with sales of U.S. Securities outside the United States, each U.S. Dealer will be required to agree that, except as described in the preceding paragraph, it has not offered, sold or delivered, and will not offer, sell or deliver, any Securities within the United States or to, or for the account or benefit of, U.S. persons (a) as part of its distribution at any time and (b) otherwise until 40 days after the later of the commencement of an offering and the closing date, and it will have sent to each dealer or distributor to which it sells such U.S. Securities during the Distribution Compliance

Period a confirmation or other notice setting forth the restrictions on offers and sales of such U.S. Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of an offering of U.S. Securities pursuant to the registration exemption contained in Regulation S under the Securities Act, an offer or sale of such U.S. Securities within the United States by any dealer that is not participating in such offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another available exemption under the Securities Act.

Terms used above have the meanings given to them by Rule 144A and Regulation S.

The Final Terms in respect of any U.S. Securities will set forth additional information relating to the offering, sale or distribution of U.S. Securities.

## **European Economic Area**

*Please note that in relation to EEA States, additional selling restrictions may apply in respect of any specific EEA State, including those set out below in relation to the United Kingdom, France, The Netherlands, Italy and Spain.*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **“Relevant Member State”**), with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the **“Relevant Implementation Date”**) the Securities may not be offered to the public in that Relevant Member State, except that with effect from and including the Relevant Implementation Date, Securities may be offered to the public in that Relevant Member State:

- in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- 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;
- 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 €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an **“offer of Securities to the public”** in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **“Prospectus Directive”** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## **France**

- (i) **Where the Base Prospectus (together with any supplements thereto) has not been passported into France**

BNPP, BNPP B.V. and any Manager of an issue of Securities will be required to agree that they will not offer or sell, directly or indirectly, any Securities to the public in the Republic of France, and that offers of Securities in the Republic of France will be made only in circumstances that do not constitute a public offer (*appel public à l'épargne*) in France, as defined in Article L. 411-1 of the French Code monétaire et financier (the “Code”).

Pursuant to Article L.411-2 of the Code and Article 211-2 of the General Regulation of the *Autorité des marchés financiers* (the “AMF GR”) (in each case as may be amended from time to time), the circumstances in which an offer of Securities shall not constitute a public offer (*appel public à l'épargne*) in France include, but are not limited to, an offer of Securities:

- (a) addressed solely to qualified investors (*investisseurs qualifiés*) acting for their own account; and/or
- (b) address solely to a limited number of investors (*cercle restreint d'investisseurs*)<sup>41</sup>; and/or
- (c) addressed solely to providers of investment services relating to portfolio management for the account of third parties; and/or
- (d) addressed to investors who acquire Securities for a total consideration of at least euro 50,000 (or its equivalent in another currency) per investor, for each separate offer; and/or
- (e) whose notional amount, nominal amount or equivalent amounts to at least euro 50,000 (or its equivalent in another currency); and/or
- (f) with a total consideration of less than euro 100,000 (or its equivalent in another currency), which limit shall be calculated over a period of 12 months.

In addition, BNPP, BNPP B.V. and any Manager of an issue of Securities will be required to agree that it has not distributed or caused to be distributed, and will not distribute or cause to be distributed, in the Republic of France this Base Prospectus or any other offering material relating to the Securities other than in circumstances that do not constitute a public offer (*appel public à l'épargne*) in France,

**(ii) Where the Base Prospectus (together with any supplements thereto) has been passported into France**

In the period beginning on the date of notification by the *Commission de surveillance du secteur financier* (the “CSSF”) to the *Autorité des marchés financiers* of its approval of this Base Prospectus for the purposes of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and ending at the latest on the date which is 12 months after the date of such, BNPP, B.V. and any Manager of an issue of Securities may make an offer of Securities:

- (a) to the public (*appel public à l'épargne*) in France, as defined in Article L.411-1 of the Code and in accordance with Articles L.412-1 and L.621-8 of the Code and the AMF GR; and/or
- (b) in circumstances that do not constitute a public offer in France, as described in paragraph (i) above.

**Netherlands**

Zero coupon Certificates in definitive bearer form on which interest does not become due and payable during their term but only at maturity (that qualify as savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*; the “SCA”) 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 of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No

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<sup>41</sup> According to Articles L.411-2 II and D.411-4 of the Code, a limited number of investors is less than 100 investors other than qualified investors.



such mediation is required, however, in respect of (i) the initial issue of such Certificates to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Certificates if they are physically issued outside the Netherlands and are not immediately thereafter distributed in the Netherlands.

## United Kingdom

Securities issued by BNPP B.V. which have a maturity of less than one year will not be offered or sold other than 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 where the issue of the Securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by BNPP B.V.

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) may only be communicated or caused to be communicated and will only communicate or cause to be communicated in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not or, in the case of BNPP, would not, if it was not an authorised person, apply to the relevant Issuer or the Guarantor.

All applicable provisions of the FSMA must be complied with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

## Japan

No Securities of any series have been or will be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”) and Securities may not be offered or sold directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

## Republic of Italy

The offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (i) to professional investors (*operatori qualificati*) (the **Professional Investors**), as defined in Article 31, second paragraph, of CONSOB (the Italian Securities Exchange Commission) Regulation No. 11522 of 1 July 1998, as amended (**Regulation No. 11522**); or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**).

Any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus or any other document relating to the Securities in the Republic of Italy under (i) or (ii) above must be:

- (A) *made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 11522 and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and*

(B) *in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and*

(C) *in compliance with any other applicable laws and regulations or requirement imposed by CONSOB.*

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on solicitation of investments applies under (i) and (ii) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

## **Spain**

The Securities may not be offered or sold directly or indirectly, in Spain or to or for the account of any resident thereof, except in accordance with all applicable Spanish laws and regulations.

## **India**

Each holder of Warrants or Certificates and each beneficial owner of a Warrant or a Certificate agrees and represents as a condition to purchasing or owning such Warrant or Certificates:

- (i) to consent to the provision by the Issuer to any Indian governmental or regulatory authority of any information regarding it and the Warrant or Certificates or its interest in the Warrant or Certificates as required under applicable Indian regulations and/or as requested by any Indian governmental or regulatory authority;
- (ii) to provide to the Issuer such additional information as the Issuer deems necessary or appropriate in order for the Issuer to comply with any such regulations and/or requests;
- (iii) this Warrant or any interest in this Warrant (or this Certificate or any interest in this Certificate) is not being purchased or sold for the benefit or account of, or pursuant to or in connection with any back-to-back transaction with the following persons (each a Restricted Entity):
  - (A) *a Person Resident in India as the term is used in the Foreign Exchange Management Act, 1999; or*
  - (B) *a “Non-Resident Indian”, a “Person of Indian Origin” or an “Overseas Body Corporate”, as such terms are used in the Foreign Exchange Management (Deposit) Regulations 2000 as notified by the Reserve Bank of India; or*
  - (C) *any entity or person that is not regulated (as such term is used in the Warrants or Certificates and Exchange Board of India (Foreign Institutional Investors Amendment) Regulations, 2004);*
- (iv) it is not a Restricted Entity; and
- (v) it will not, directly or indirectly, sell, transfer, assign, novate or otherwise dispose of this Warrant or any interest in this Warrant (or this Certificate or any interest in this Certificate) to or for the benefit or account of any Restricted Entity.

## **People’s Republic of China**

The Warrants or the Certificates may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the People’s Republic of China (excluding

Hong Kong, Macau and Taiwan), or to any Domestic Investor as defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited.

“Domestic Investor” is defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited and includes the following:

- (i) PRC citizens resident in the PRC (excluding Hong Kong, Macau and Taiwan);
- (ii) RC citizens resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong, Macau or Taiwan;
- (iii) Legal persons registered in the PRC (excluding Hong Kong, Macau and Taiwan).

“Legal persons registered in the PRC” excludes foreign entities incorporated or organised in other jurisdictions even though they may have an office (i.e. a branch) in the PRC.

“PRC citizens” used in the rules do not include persons who are permanent residents of Hong Kong, Macau or Taiwan.

## **Korea**

The Warrants or the Certificates may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in Korea or to any resident of Korea, in contravention of any applicable laws.

## **Taiwan**

The Warrants or the Certificates may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in Taiwan or to any resident of Taiwan in contravention of any applicable laws.

## **Hong Kong**

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Warrants or the Certificates, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Warrants or Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) and any rules made thereunder.

## **Socialist Republic of Vietnam**

These Warrants or Certificates may not be offered or sold directly or indirectly in the Socialist Republic of Vietnam (“**Vietnam**”) or to, or for the benefit of, any resident in Vietnam (which term as used herein shall mean any person resident in Vietnam, including any corporation or other entity organised under the laws of Vietnam). Unless permitted under the securities laws of Vietnam, no advertisement, invitation or document relating to the Warrants or Certificates will be issued in Vietnam or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, any person in Vietnam.

## **Islamic Republic of Pakistan (Pakistan)**

By a purchase of a Warrant or a Certificate, the relevant holder of the Warrant or Certificate will be deemed to represent and warrant that it is not an individual natural person who is a resident of Pakistan (a “**Prohibited Investor**”) and that the Warrants or the Certificates will not be offered or transferred to a Prohibited Investor and, if so specified in the

applicable Final Terms, each holder of the Warrant or the Certificate will be required to represent and warrant on exercise or redemption that it is not a Prohibited Investor.

## **Singapore**

No prospectus has been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the Securities and Futures Act). Accordingly, the Securities may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Base Prospectus, and any supplements to the Base Prospectus, or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Securities be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased the Securities, namely a person who is:

- (i) a corporation (which is not an accredited investor) 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
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Securities under Section 275 of the Securities and Futures Act except:

- (A) *to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;*
- (B) *where no consideration is given for the transfer; or*
- (C) *by operation of law.*

## **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) in relation to the Securities has been or will be lodged with, or registered by, the Australian Securities and Investments Commission or the Australian Stock Exchange Limited. No person has:

- (i) made or invited, or will make or invite, an offer of the Securities for issue, sale or purchase in Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) distributed or published, or will distribute or publish any offering material or advertisement relating to the Securities in Australia;

unless (i) the aggregate consideration payable by each offeree is at least A\$500,000 or its equivalent in any other currency (disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act 2001 of Australia, (ii) the offer or

invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act 2001 of Australia; and (iii) such action complies with all applicable laws and regulations.

### **Thailand**

The Securities have not been approved by the Office of the Securities and Exchange Commission of Thailand and may not be offered or sold, directly or indirectly, to persons in Thailand, except (i) pursuant to an exemption from the requirements on filing of registration statement and draft prospectus; and/or (ii) in compliance with any other applicable requirements under the Securities and Exchange Act of 1992 of Thailand.

### **General**

With regard to each issue of Securities, the relevant Manager(s) will be required to comply with such other additional restrictions as shall be set out in the applicable Final Terms.

## GENERAL INFORMATION

### 1. Authorisation

The establishment of the Programme was approved by resolutions of the Board of Directors of BNPP B.V. dated 8 May 2003. The update of the Programme was approved by resolutions of the Board of Directors of BNPP B.V. dated 7 May 2007. No authorisation procedures are required of BNPP by French law for the establishment or update of the Programme or the giving of the Guarantees. However, to the extent that Securities issued by BNPP under the Programme may constitute *obligations* under French law, the issue of such Securities is authorised pursuant to the Board resolution dated 23 May 2006 and by the Board resolution dated 15 May 2007.

### 2. Approval and Listing on the Regulated Market and the EuroMTF Market of the Luxembourg Stock Exchange

Application has been made to the Commission de Surveillance du Secteur Financier (the **CSSF**) to approve this Document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on (i) the Luxembourg Stock Exchange and to admit the Securities for trading described herein on the “*Bourse de Luxembourg*” (the “**Regulated Market**”) of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange and (ii) the EuroMTF Market of the Luxembourg Stock Exchange or (iii) application may be made to list Securities on other stock exchanges as set out in the applicable Final Terms.

### 3. Notification

Each Issuer may request the CSSF to provide the competent authority of any EEA State with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the *Loi relative aux prospectus pour valeurs mobilières* which implements the Prospectus Directive into Luxembourg law.

### 4. Documents Available

From the date hereof and so long as Securities are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection (in the case of (i), (iv), (v) and (viii) below) or be available for collection (in the case of (ii), (iii), (vi) and (vii) below), in each case, at the specified office for the time being in Luxembourg of BNP Paribas Securities Services, Luxembourg Branch and at the specified office for the time being in Paris of BNP Paribas Arbitrage SNC:

- (i) copies of the Memorandum and Articles of Association of BNPP B.V. and the *Statuts* of BNPP;
- (ii) the audited annual non-consolidated financial statements of BNPP B.V. for the two years ended 31 December 2005 and 2006 (BNPP B.V. does not produce consolidated annual reports) and the audited annual consolidated and non-consolidated financial statements of BNPP for the two years ended 31 December 2005 and 2006;
- (iii) the most recently published audited annual non-consolidated financial statements and audited semi-annual interim non-consolidated financial statements of BNPP B.V. (BNPP B.V. does not produce consolidated interim reports) and the most recently published audited annual consolidated and non-consolidated financial statements and unaudited semi-annual consolidated financial statements and quarterly results of BNPP (BNPP does not produce non-consolidated interim reports);
- (iv) the Information Statement relating to BNPP dated 30 May 2007 including the Issuer’s 1st quarter results for the three month period ended 31 March 2007;

- (v) copies of the Guarantees;
- (vi) the Agency Agreement (which contains the forms of the English Law Global Securities);
- (vii) this Base Prospectus; and
- (viii) in the case of a syndicated issue of listed Securities, the syndication agreement (or equivalent document).

Such documents are also available on BNPP's website: "www.invest.bnpparibas.com". In addition, copies of this Base Prospectus, any Final Terms relating to securities listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, and any documents incorporated by reference in this Base Prospectus are available on the Luxembourg Stock Exchange's website: "www.bourse.lu".

## **5. Material Change**

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects or affairs of BNPP B.V. since 31 December 2006. Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects or affairs of BNPP or the Group since 31 December 2006.

## **6. Significant Change**

Save as disclosed in the Information Statement of BNPP incorporated by reference in this document, no significant change has occurred in the financial position or trading position of BNPP since 31 March 2007 (being the end of the last financial period for which interim financial information has been published). Save as disclosed in this Base Prospectus, no significant change has occurred in the financial position or trading position of BNPP B.V. since 31 December 2006 (being the end of the last financial period for which audited financial information has been published).

## **7. Legal and Arbitration Proceedings**

Save as disclosed in this Base Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either Issuer is aware), during the period covering at least the 12 months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on either Issuer and/or the Group's financial position or profitability.

## **8. Material Contracts**

Neither Issuer has entered into contracts outside the ordinary course of its respective business, which could result in the relevant Issuer being under an obligation or entitlement that is material to such Issuer's ability to meet its obligation to holders of Securities in respect of the Securities being issued.

## **9. Conflicts of Interests**

To the knowledge of the Bank, the duties owned by the members of the Board of Directors of the Bank do not give rise to any potential conflicts of interest with such members' private interests or other duties.

## **10. Third Party Information**

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

## 11. Auditors

BNPP

In accordance with French law, BNP Paribas is required to have a minimum of two statutory auditors (*commissaires aux comptes*) and two substitute statutory auditors. The statutory auditors are currently PricewaterhouseCoopers Audit (represented by Etienne Boris), Deloitte & Associés (represented by Pascal Colin) (Deloitte & Associés has replaced Barbier Frinault & Autres since 23 May 2006) and Mazars & Guérard (represented by Hervé Hélias). The consolidated and unconsolidated financial statements of BNP Paribas have been audited without qualification by PricewaterhouseCoopers Audit, Barbier Frinault & Autres and Mazars & Guérard for the years ended 31 December 2005 and 2006. PricewaterhouseCoopers Audit, Deloitte Associés & Autres and Mazars & Guérard are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes*. The financial statements of BNPP have been audited without qualification by PricewaterhouseCoopers Audit, Barbier Frinault & Autres and Mazars & Guérard for the years ended 31 December 2005 and 31 December 2006.

The addresses of the statutory auditors of BNP Paribas are as follows:

- (i) PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-Sur-Seine Cedex;
- (ii) Deloitte & Associés, 185, avenue Charles de Gaulle, 92200 Neuilly sur Seine; and
- (iii) Mazars & Guérard, Mazars, 61, rue Henri-Regnault, 92075, La Défense Cedex.

BNPP B.V.

PricewaterhouseCoopers Accountants N.V. are independent public accountants in The Netherlands registered with NIVRA (*Nederlands Instituut voor Register Accountants*). The financial statements of BNPP B.V. have been audited without qualification by PricewaterhouseCoopers Accountants N.V. for the years ended 31 December 2005 and 31 December 2006.

As per May 2006 Deloitte Accountants B.V. has replaced PricewaterhouseCoopers Accountants N.V. The address of Deloitte Accountants B.V. is Orlyplein 10, 1043 DP Amsterdam.

## 12. Clearing Systems

The English Law Securities represented by a Global Warrant or a Global Certificate have been accepted for clearance through Clearstream, Luxembourg, Euroclear and Iberclear. The appropriate CUSIP, common code, ISIN and other relevant code for each issue of English Law Securities represented by a Global Warrant or a Global Certificate allocated by DTC, Clearstream, Luxembourg and Euroclear will be specified in the applicable Final Terms.

The French Law Securities shall be accepted for clearance through Euroclear France, Euroclear and/or Clearstream, Luxembourg and/or Iberclear.

If the Securities of any series are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.



## ISSUER

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