

SECOND SUPPLEMENT DATED 3 OCTOBER 2007  
TO THE WARRANT AND CERTIFICATE PROGRAMME BASE PROSPECTUS DATED 30 MAY 2007



**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 second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with, the Warrant and Certificate Programme base prospectus dated 30 May 2007 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 11 July 2007 (the "**First Supplement**") in relation to the programme for the issuance of Warrants and Certificates by BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**") (the "**Programme**"). Terms defined in the Base Prospectus and the First Supplement have the same meaning when used in this Second Supplement.

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 Second Supplement. 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.

Save as disclosed in this Second Supplement and the First Supplement, no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus dated 30 May 2007.

This Second Supplement constitutes a Supplement within the meaning of Article 16 of Directive 2003/71/EC and has been produced for the following purposes:

- (a) to include a revised Summary, Risk Factors, Form of Final Terms for Certificates and to amend the Terms and Conditions of the Certificates in the Base Prospectus to provide for, *inter alia*, Certificates issued under the Programme to be admitted to trading on the "electronic securitised derivatives market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**") and for Certificates to be accepted by Monte Titoli S.p.A. ("**Monte Titoli**") for clearing and settlement;
- (b) to make certain amendments to the Terms and Conditions of the Warrants;
- (c) to amend the Italian selling restrictions in the Offering and Sale section of the Base Prospectus;
- (d) to amend the taxation section with respect to Italy;

- (e) to incorporate by reference the document entitled “Interim Financial Report for the 6 month period ended June 30, 2007 - BNP Paribas Arbitrage Issuance B.V.” (the “**2007 Semi-Annual Results**”); and
- (f) to supplement the Base Prospectus with the following information:
  - (i) BNP Paribas’ consolidated financial statements for the first half of 2007, as set out in Annex 1; and
  - (ii) the Statutory auditor's review report on BNP Paribas’ first half year financial information for 2007, as set out in Annex 2.

The Issuer intends to file an application with the Italian Stock Exchange for Certificates issued under the Programme to be admitted to trading on the SeDeX, organised and managed by Borsa Italiana.

Certificates (i) admitted to trading on the SeDeX, organised and managed by Borsa Italiana ("**Italian Listed Certificates**") and/or (ii) accepted by Monte Titoli for clearing and settlement ("**Monte Titoli Certificates**") have not been and will not be registered under the U.S. Securities Act of 1933. Italian Listed Certificates and Monte Titoli Certificates may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

In accordance with Article 13 paragraph 2 of the Luxembourg act dated 10 July 2005 on prospectuses for securities (the "**Prospectus Act 2005**"), investors who have agreed to purchase or subscribe for the Securities before the Second Supplement is published have the right, exercisable within a time period of a minimum of two working days after the publication of the Second Supplement, to withdraw their acceptances.

Copies of this Second Supplement are available on the Luxembourg Stock Exchange's website: "[www.bourse.lu](http://www.bourse.lu)".

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## SUMMARY

The Summary in the Base Prospectus as amended by the First Supplement shall be deleted in its entirety and replaced by the following:

## 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> ")  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>	BNPP B.V. is a limited company under Dutch law. Its objects are, among other things, to:  (a) borrow, lend out and collect monies, including but not limited to the issue of the acquisition of debentures, debt instruments, financial instruments such as, <i>inter alia</i> , warrants and certificates of any nature, with or without indexation based on, <i>inter alia</i> , shares, baskets of shares, stock exchange indices, currencies, commodities or futures on commodities and to enter into related agreements; and  (b) 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.
<b>Description of BNPP</b>	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.  At 30 June 2007, the Group had consolidated assets of €1,663.6 billion and shareholders' equity of €52.2 billion.

On 10 July 2007 Standard & Poor's upgraded the Group's long-term senior debt rating from "AA" (the "**Old S&P Rating**") to "AA+" (the "**New S&P Rating**") with a stable outlook. The Group currently has long-term senior debt ratings of "Aa1" with stable outlook from Moody'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". (All references in the Base Prospectus to the Old S&P Rating shall be read as references to the New S&P Rating).

**Description of the Programme**

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:

- (a) 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
- (b) Adverse market or economic conditions may cause a decrease in net banking income or profitability.
- (c) The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.
- (d) The Bank may generate lower revenues from brokerage and other commission- and fee-based businesses during market downturns.
- (e) A long term market decline can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.
- (f) Significant interest rate variations could adversely affect the Bank's net banking income or profitability.
- (g) 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.
- (h) The Bank's competitive position could be harmed if its reputation is damaged.
- (i) An interruption in or a breach of the Bank's information

systems may result in lost business and other losses.

- (j) Unforeseen events can interrupt the Bank's operations and cause substantial losses and additional costs.
- (k) 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.
- (l) The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.
- (m) The Bank's hedging strategies may not prevent losses.
- (n) The Bank may have difficulty in identifying and executing acquisitions, which could materially harm the Bank's results of operations.
- (o) 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:

- (a) **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.

- (b) **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.
- (c) **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.
- (d) **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.
- (e) **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.
- (f) **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.
- (g) **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.
- (h) **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. Additional potential conflicts of interest may be specified in the applicable Final Terms.
- (i) **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.

- (j) **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:
  - (i) the relevant Settlement Price may be calculated on a modified basis; or
  - (ii) 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
  - (iii) 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.
- (k) **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.
- (l) **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:
  - (i) adjustments may be made to any of the Terms and Conditions and/or the applicable Final Terms to account for such occurrence;
  - (ii) 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



- (iii) 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.
  
- (m) **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:
  - (i) the relevant Settlement Price may be calculated on a modified basis;
  - (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 in the applicable Final Terms, the Securities may be cancelled or redeemed, as applicable; or
  - (iii) 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.
  
- (n) **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.
  
- (o) **Option to Vary Settlement:** the Issuer 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.

- (p) **Option to Substitute Assets or to Pay the Alternate Cash Settlement Amount:** the Issuer 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.
- (q) **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.
- (r) **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.
- (s) **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:
- (i) the market price of such Certificates may be volatile;
  - (ii) payment of interest may occur at a different time or in a different currency than expected;
  - (iii) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
  - (iv) 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;
  - (v) 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

- (vi) 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.
- (t) **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.
- (u) **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.
- (v) **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.
- (w) **Post-issuance Information:** applicable Final Terms may specify that the relevant Issuer will not provide post-issuance information in relation to the Underlying Reference.
- (x) **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.
- (y) **Minimum Exercise Amount of Warrants:** Holders 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.
- (z) **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.

- (aa) **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.
- (bb) **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, the Italian 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.

**VPC Warrants and VPC Certificates**

Pursuant to an issuing and paying agency agreement dated 11 July 2007 between BNPP B.V. and Svensska Handelsbanken AB (publ) (as VPC Certificate Agent), the Issuer may issue VPC Warrants and VPC Certificates ("**VPC Securities**"). VPC Securities will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA. VPC Warrants may only be cash settled European Style Warrants with automatic exercise.

**Taxation**

Holders 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.

Investors should carefully review the Taxation section.

Investors should note that, in the near future, the Italian Government may be authorised by the Italian Parliament to amend the tax treatment of financial income, which may impact upon the tax regime of the Securities.

**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

The Risk Factors section in the Base Prospectus shall be deleted in its entirety and replaced by the following:

### 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 the Issuer intends to file an application to list the Securities on the Italian Stock Exchange and to admit the Securities for trading described herein on the "electronic securitised derivatives market" (the "**SeDeX**"), organised and managed by Borsa Italiana 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.

Specific additional potential conflicts of interest, including where the entities distributing the Securities belong to the same group as the Issuer, shall be specified in the applicable Final Terms.

### **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 (a) 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 (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then 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,

- (a) 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
- (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 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
- (c) 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 may take the action described in (i) or (ii) below (except as may be limited in the case of U.S. Securities):

- (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, in which case such adjustment may have an adverse effect on the value and liquidity of the affected Share Securities; or

- (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 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
- (c) 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:

- (a) 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
- (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 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
- (c) 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.

### **Adjustment methods to be adopted where Securities are listed on the Italian Stock Exchange**

Where Securities are listed on the Italian Stock Exchange, the adjustments to be performed where extraordinary events occur regarding the Underlying Reference are required to be based on generally accepted methods in order to neutralise the effects of the event as far as possible and where practicable advance notice of such adjustments shall be given to Holders.

### **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 Issuer may, in its 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.

### **Automatic Exercise and Renouncement Notices**

Exercisable Certificates will be automatically exercised on the Exercise Date. In the case of Exercisable Certificates which are Italian Listed Certificates and in the case of Italian Listed Warrants, prior to 10.00 a.m. (Milan time) on the Exercise Date Holders may serve a Renouncement Notice renouncing automatic exercise of their Certificate or Warrant, as the case may be, as more fully set out in the Terms and Conditions. The form of Renouncement Notice will be set out in the applicable Final Terms.

### **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:

- (a) the market price of such Securities may be volatile;
- (b) they may receive no interest;
- (c) payment of interest may occur at a different time or in a different currency than expected;
- (d) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (e) 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;
- (f) 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
- (g) 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, Holders 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.



## BNPP BV 2007 Semi-Annual Results

On 24 August 2007, BNPP B.V. published its audited interim financial statements for the six month period ended 30 June 2007, which are contained in the BNPP BV 2007 Semi-Annual Results. A copy of the BNPP BV 2007 Semi-Annual Results has been filed with the CSSF and, by virtue of this Supplement, are incorporated by reference in, and form part of, the Base Prospectus.

Any information not listed in the following cross-reference list but included in the BNPP BV 2007 Semi-Annual Results is given for information purposes only:

Information Incorporated by Reference	Reference
Balance Sheet as at 30 June 2007	Page 3
Profit & Loss Account for the 6 months ended 30 June 2007	Page 4
Cash Flow Statement for the 6 months ended 30 June 2007	Page 5
Notes to the financial statements	Pages 6-14
Auditors' Report	Pages 16 and 17

## AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CERTIFICATES

The Terms and Conditions of the Certificates set out in the Base Prospectus as amended by the First Supplement shall be amended as follows:

### 1. Introduction

1.1 The first paragraph of the Terms and Conditions shall be amended as follows:

- (a) by the insertion of the following after the words "Agency Agreement dated 30 May 2007":  
"as supplemented by the First Supplemental Agency Agreement dated 3 October 2007";
- (b) by the insertion of the word "together" before the words "as amended and/or supplemented from time to time, the **"Agency Agreement"**";
- (c) by the insertion of the following after the words "(the **"Definitive Certificate Agent"**)":  
", BNP Paribas Securities Services, Milan Branch as Italian Certificate Agent (the **"Italian Certificate Agent"**)";
- (d) by deletion of the words "If the Certificates are not VPC Certificates (as defined below), the" in the third sentence thereof and insertion of the word "The" in its place;
- (e) by deletion of the words "If the Certificates are" in the fourth sentence thereof and insertion of the following in its place:  
"as supplemented in the case of"; and
- (f) by deletion of the words "the Certificates are issued pursuant to" in the fourth sentence thereof and insertion of the word "by" in its place.

1.2 The fourth paragraph of the Terms and Conditions shall be amended by the insertion of "(i)" after the words "deposited with" and insertion of the following after the words "(as defined below)":

"or (ii) in the case of Certificates to be issued and cleared through Monte Titoli S.p.A. ("**Monte Titoli**")", Monte Titoli"

### 2. Type, Title and Transfer

2.1 Condition 1(B) shall be amended by the insertion of the following after the words "Clearing System" in the second line of the first paragraph thereof:

"or held by a relevant Clearing System"

2.2 Condition 1(C) shall be amended by the insertion of the following after the words "DTC and/or" in the first line of the third paragraph thereof:

"Monte Titoli and/or".

### 3. Definitions

Condition 4 shall be amended as follows:

3.1 The definition of "Clearing System" shall be amended by the insertion of the following after the words "Iberclear and/or":

"Monte Titoli and/or"; and

3.2 The following new definition shall be inserted:

**"Italian Listed Certificates"** means Exercisable Certificates which are listed and admitted to trading on the Italian regulated markets of Borsa Italiana S.p.A."

3.3 The definition of "Valuation Time" shall be amended by deletion of the word "Warrants" in the second line thereof and the insertion of the word "Certificates" in its place.

#### 4. Redemption of Certificates

Condition 6 shall be amended as follows:

4.1 The title of Condition 6 shall be amended by the insertion of the words "and Exercise" after the word "Redemption";

4.2 Condition 6(A) shall be amended by the deletion of the word "Subject" in the first line thereof and the insertion of the following in its place:

"Unless the Certificates are Exercisable Certificates, subject"; and

4.3 The following new Condition 6(F) shall be inserted:

##### **"(F) Exercise of Certificates**

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applying in the applicable Final Terms, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, subject as provided in the following paragraph. Upon automatic exercise each Certificate entitles its Holder to receive from the Issuer the Cash Settlement Amount on the Redemption Date.

If the Certificates are Italian Listed Certificates, prior to 10.00 a.m. (Milan time) on the Exercise Date, the Holder of a Certificate may renounce automatic exercise of such Certificate by the delivery or sending by fax of a duly completed Renunciation Notice (a "**Renunciation Notice**") in the form set out in the applicable Final Terms to the relevant Clearing System with a copy to the Italian Certificate Agent. Once delivered a Renunciation Notice shall be irrevocable. Any determination as to whether a Renunciation Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Italian Certificate Agent and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, the Warrant Agents and the relevant Holder. Subject as set out below, any Renunciation Notice so determined to be incomplete or not in proper form, or which is not copied to the Italian Certificate Agent immediately after being delivered or sent to the relevant Clearing System shall be null and void. If such Renunciation Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Italian Certificate Agent, it shall be deemed to be a new Renunciation Notice submitted at the time such correction was delivered to the relevant Clearing System and the Italian Certificate Agent."

#### 5. Payments and Physical Delivery

Condition 7(A) shall be amended by the deletion of the following after the words "French Law Certificates)":

"or with the relevant VPC Holder (in the case of VPC Certificates)".

**6. Notices**

Condition 11 (Notices) shall be amended by the insertion of the following after the words "rules and regulations of the relevant stock exchange":

"(in the case of Italian Listed Certificates such notices shall be published by Borsa Italiana S.p.A.)"

**7. Expenses and Taxation**

Condition 12(A) shall be amended by the insertion of the following after the last sentence thereof:

"Notwithstanding the foregoing, in the case of Italian Listed Certificates, "Expenses" shall not include any expenses related to the automatic exercise of such Certificates."

## AMENDMENTS TO THE TERMS AND CONDITIONS OF THE WARRANTS

The Terms and Conditions of the Warrants set out in the Base Prospectus as amended by the First Supplement shall be amended as follows:

1. The first paragraph of the Terms and Conditions shall be amended as follows:
  - (a) by deletion of the words "If the Warrants are not VPC Certificates (as defined below), the" in the third sentence thereof and insertion of the word "The" in its place;
  - (b) by deletion of ".If the Warrants are" in the fourth sentence thereof and insertion of the following in its place:

"as supplemented in the case of"; and
  - (c) by deletion of the words "the Warrants are issued pursuant to" in the fifteenth line thereof and insertion of the word "by" in its place.

## FORM OF FINAL TERMS FOR CERTIFICATES

The Form of Final Terms for Certificates set out in the Base Prospectus as amended by the First Supplement shall be deleted in its entirety and replaced by the following:

## 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**"). [The Base Prospectus dated [●] and the Supplement to the Base Prospectus dated [●]] have been passported into Italy in compliance with Article 18 of 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]*

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] [●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[insert currency] [●]	[●]	[●]	[●]

**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: The Certificates are [Index Certificates / Share

<sup>22</sup> Only BNP Paribas may issue U.S. Certificates.

<sup>23</sup> DTC: CUSIP – include for U.S. Certificates.

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)].

[The Certificates are [Reverse Convertible Certificates / Athena Certificates / Plus Certificates / Call Certificates/[Turbo] Certificates / other], such Certificates being "Specific Products" in relation to which Part C (Specific Product Contractual Terms) applies].

[Exercise of Certificates applies to the Certificates. The Exercise Date is [ ] [or if such day is not a Business Day the immediately [preceding/succeeding] Business Day].]<sup>30</sup>.

7. Form of Certificates: [Clearing System Global Certificate] [Dematerialised bearer form (*au porteur*)<sup>31</sup>] [Rule 144A Global Certificate] [Private Placement Definitive Certificate]<sup>32</sup> [Regulation S Global Certificate]<sup>32</sup> [VPC Certificates]
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 Certificates)] [and/or] [physical delivery (Physical Delivery Certificates)]. (N.B. *VPC Certificates may only be Cash Settled Certificates*)
10. Variation of Settlement:
- (a) Issuer's option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Certificates.<sup>33</sup> (N.B. *the Issuer's option to vary settlement is not applicable to VPC Certificates*)
- (b) Variation of Settlement of [Notwithstanding the fact that the Certificates are

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24 Currency Certificates or Hybrid Securities containing a currency component cannot be U.S. Securities.

25 Commodity Certificates or Hybrid Certificates containing a commodity component cannot be U.S. Securities.

26 Inflation Index Certificates or Hybrid Certificates containing an inflation component cannot be U.S. Securities.

27 Hybrid Certificates that contain a currency, commodity or inflation component cannot be U.S. Securities.

28 Fund Certificates or Hybrid Certificates containing a fund component cannot be U.S. Securities.

29 Credit Linked Certificates or Hybrid Certificates containing a fund component cannot be U.S. Securities.

30 Exercise of Certificates should apply where Certificates are offered to the public or listed on a regulated market in the EEA and where the Issue Price is less than EUR 1,000 (or its equivalent in the Settlement Currency).

31 If French law-governed.

32 If U.S. Certificates.

33 Not applicable for U.S. Certificates, unless Physical Delivery can be in compliance with U.S. securities laws.



Physical Delivery Certificates: 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] [●]. *(N.B. Only applicable in relation to Physical Delivery Certificates)*

12. Entitlement: [The Entitlement (as defined in Condition 4) in relation to each Certificate is [●].]

[The Entitlement will be evidenced by [insert details of how the Entitlement will be evidenced].]

[The Entitlement will be delivered [insert details of the method of delivery of the Entitlement].]

*(N.B. Only applicable in relation to Physical Delivery Certificates)*

13. Instalment Certificates: The Certificates [are/are not] Instalment Certificates

(a) Instalment Amount(s): [specify]

(b) 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 the Annexes to the Terms and Conditions) 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]*.

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]/[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]
- (a) Index/Index Sponsor: [specify name of index/indices]  
[specify name of index sponsor(s)]  
[The [ ] Index is a Composite Index]<sup>34</sup>
- (b) Index Currency: [specify]
- (c) Exchange(s): The Exchange(s) [is/are] [●].
- (d) Related Exchange(s): [The relevant Related Exchange(s) [is/are] [●] /[All Exchanges]
- (e) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis]
- (f) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis] (*must match election made for Exchange Business Day*)
- (g) 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*)]
- (h) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from Annex 1].<sup>35</sup>

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34 Specify each Composite Index (if any).

35 Where Index is managed by Borsa Italiana S.p.A. (or another entity with which Borsa Italiana S.p.A. has entered into an agreement in respect of the Index), include within definition valuation by reference to "official opening level" calculated by Index Sponsor or Related Exchange as applicable.

- (i) 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*].
- (j) 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*).
- (k) 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)*
- (i) Knock-in Level: [*specify*]
- (ii) Knock-in Period Beginning Date: [*specify*]
- (iii) Knock-in Determination Period: [*specify*]
- (iv) Knock-in Determination Day(s): [*specify*/Each Scheduled Trading Day in the Knock-in Determination Period]
- (v) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
- (vi) Knock-in Period Ending Date: [*specify*]
- (vii) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
- (viii) Knock-in Valuation Time: [*specify*/See definition in Annex 1] [Relevant Time]
- (l) 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)*
- (i) Knock-out Level: [*specify*]

- (ii) Knock-out Period Beginning Date: *[specify]*
- (iii) Knock-out Determination Period: *[specify]*
- (iv) Knock-out Determination Day(s): *[specify/Each Scheduled Trading Day in the Knock-out Determination Period]*
- (v) Knock-out Period Beginning Date Scheduled Trading Day Convention: *[Not Applicable/Applicable]*
- (vi) Knock-out Period Ending Date: *[specify]*
- (vii) Knock-out Period Ending Date Scheduled Trading Day Convention: *[Not Applicable/Applicable]*
- (viii) Knock-out Valuation Time: *[specify/See definition in Annex 1] [Relevant Time]*
- (m) Delayed Redemption on Occurrence of Adjustments Event: *[Applicable/Not Applicable]*
- (n) 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)*
- (i) Automatic Early Redemption Amount: *[specify/See definition in Annex 1]*
- (ii) Automatic Early Redemption Date(s): *[specify]*
- (iii) Business Day Convention: *[specify]*
- (iv) Automatic Early Redemption Level: *[specify]*
- (v) Automatic Early Redemption Rate: *[specify]*
- (vi) Automatic Early Redemption Valuation Date(s): *[specify]*

22. Share Certificates: [The provisions of Annex 2 (*Additional Terms and Conditions for Share Certificates*) shall apply]
- (a) Share(s)/Share Company/Basket Company: [Insert type of Share(s) and Share Company / Basket Companies]
- (b) Exchange(s): The Exchange[s] [is/are] [●].
- (c) Related Exchange(s): [The Related Exchange(s) [is/are] [●] / [All Exchanges]
- (d) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis]
- (e) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis]  
(*must match election made for Exchange Business Day*)
- (f) 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*)]
- (g) 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.*]<sup>36</sup>
- (h) 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*].
- (i) 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.*)]
- (j) 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)
- (i) Knock-in Price: [*specify*]

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Where a Share is traded on an Italian regulated market managed by Borsa Italiana S.p.A. include within definition valuation by reference to "official reference price" calculated by Borsa Italiana S.p.A.

- (ii) Knock-in Period Beginning Date: *[specify]*
  - (iii) Knock-in Period Beginning Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
  - (iv) Knock-in Determination Period: *[specify]*
  - (v) Knock-in Determination Day(s): *[specify]*/Each Scheduled Trading Day in the Knock-in Determination Period]
  - (vi) Knock-in Period Ending Date: *[specify]*
  - (vii) Knock-in Period Ending Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
  - (viii) Knock-in Valuation Time: *[specify]*/See definition in Annex 2] [Relevant Time]
- (k) 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)*
- (i) Knock-out Price: *[specify]*
  - (ii) Knock-out Determination Period: *[specify]*
  - (iii) Knock-out Determination Day(s): *[specify]*/Each Scheduled Trading Day in the Knock-out Determination Period]
  - (iv) Knock-out Period Beginning Date: *[specify]*
  - (v) Knock-out Period Beginning Date Scheduled Trading Day Convention: [Not Applicable / Applicable]
  - (vi) Knock-out Period Ending Date: *[specify]*
  - (vii) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not Applicable / Applicable]

- (viii) Knock-out Valuation [specify/See definition in Annex 2] [Relevant Time]  
Time:
- (l) Automatic Early Redemption [Not Applicable / specify /["greater than"/"greater than  
Event: or equal to"/"less than"/"less than or equal to"]]  
*(If not applicable, delete the remaining sub-paragraphs  
of this paragraph)*
- (i) Automatic Early [specify/See definition in Annex 2]  
Redemption Amount:
- (ii) Automatic Early [specify]  
Redemption Date(s):
- (iii) Business Day [specify]  
Convention:
- (iv) Automatic Early [specify]  
Redemption Price:
- (v) Automatic Early [specify]  
Redemption Rate:
- (vi) Automatic Early [specify]  
Redemption Valuation  
Date(s):
- (m) Redemption on Occurrence of [As per Conditions/Not Applicable]  
Extraordinary Event:
- (n) Delayed Redemption on [Not Applicable/Applicable]  
Occurrence of Extraordinary  
Event:
23. GDR Certificates: [The provisions of Annex 3 (*Additional Terms and  
Conditions for GDR Certificates*) shall apply]<sup>37</sup>
24. Debt Certificates: [The provisions of Annex 4 (*Additional Terms and  
Conditions for Debt Certificates*) shall apply]
- (a) 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 [●].
- (b) 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*].

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For GDR Certificates complete sections for Share Certificates (paragraph 22) (completed and amended as appropriate) and GDR Certificates (paragraph 23).

- (c) Exchange Business Day: "Exchange Business Day" means [●].
  - (d) Relevant Time: [The relevant time is [●]].
25. Commodity Certificates: [The provisions of Annex 5 (*Additional Terms and Conditions for Commodity Certificates*) shall apply]
- (a) Commodity/ Commodities: [*specify Commodity/Commodities*]
  - (b) Pricing Date(s): [*specify*]
  - (c) Commodity Reference Price: [*specify*]
  - (d) Additional Disruption Fallback(s): [*specify*]/[Not Applicable]
  - (e) 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 [●].]
  - (f) 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)*
    - (i) Knock-in Level: [*specify*]
    - (ii) Knock-in Period Beginning Date: [*specify*]
    - (iii) Knock-in Determination Period: [*specify*]
    - (iv) Knock-in Determination Day(s): [*specify*]
    - (v) Knock-in Period Beginning Date Commodity Business Day Convention: [Not Applicable / Applicable]
    - (vi) Knock-in Period Ending Date: [*specify*]
    - (vii) Knock-in Period Ending Date Commodity Business Day Convention: [Not Applicable / Applicable]



- (viii) Knock-in Valuation Time: [specify/See definition in Annex 5] [Relevant Time]
- (g) 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)*
- (i) Knock-out Level: [specify]
- (ii) Knock-out Period Beginning Date: [specify]
- (iii) Knock-out Determination Period: [specify]
- (iv) Knock-out Determination Day(s): [specify]
- (v) Knock-out Period Beginning Date Commodity Business Day Convention: [Not Applicable / Applicable]
- (vi) Knock-out Period Ending Date: [specify]
- (vii) Knock-out Period Ending Date Commodity Business Day Convention: [Not Applicable / Applicable]
- (viii) Knock-out Valuation Time: [specify / See definition in Annex 5] [Relevant Time]
- (h) 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)*
- (i) Automatic Early Redemption Amount: [specify/See definition in Annex 5]
- (ii) Automatic Early Redemption Date(s): [specify]
- (iii) Business Day Convention: [specify]
- (iv) Automatic Early Redemption: [specify]

- (v) Automatic Early Redemption Rate: *[specify]*
  - (vi) Automatic Early Redemption Valuation Date(s): *[specify]*
  - (i) 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]
- (a) Inflation Index / Sponsor: *[specify name of inflation index / indices]*  
*[specify name of inflation index sponsor(s)]*
  - (b) Related Bond: [Applicable/Not Applicable]
  - (c) Issuer of Related Bond: [Applicable/Not Applicable] *[If applicable, specify]*
  - (d) Fallback Bond: [Applicable/Not Applicable]
  - (e) Related Bond Redemption Event: [Applicable/Not Applicable] *[If applicable, specify]*
  - (f) Substitute Inflation Index Level: [As determined in accordance with Annex 6 [●]]
  - (g) Cut-off Date: In respect of a [Valuation Date], the day that is [●] Business Days prior to such [Valuation Date]
  - (h) [Valuation Date]: *[specify]*
27. Currency Certificates: [The provisions of Annex 7 (*Additional Terms and Conditions for Currency Certificates*) shall apply]
- (a) Relevant Screen Page: *[specify]*
  - (b) The relevant base currency (the "**Base Currency**") is: *[specify]*
  - (c) The relevant subject [currency/currencies] (each a "**Subject Currency**") [is/are]: *[specify]*
  - (d) Relevant Time: [The relevant time is [●]].
  - (e) 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)*

- (i) Knock-in Level: [specify]
  - (ii) Knock-in Period Beginning Date: [specify]
  - (iii) Knock-in Determination Period: [specify]
  - (iv) Knock-in Determination Day(s): [specify]
  - (v) Knock-in Period Ending Date: [specify]
  - (vi) Knock-in Valuation Time: [specify / See definition in Annex 7] [Relevant Time]
  - (f) 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)*
    - (i) Knock-out Level: [specify]
    - (ii) Knock-out Period Beginning Date: [specify]
    - (iii) Knock-out Determination Period: [specify]
    - (iv) Knock-out Determination Day(s): [specify]
    - (v) Knock-out Period Ending Date: [specify]
    - (vi) 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]
- (a) Fund: [specify]
  - (b) Fund Share(s): [specify]
  - (c) Fund Documents: [specify]
  - (d) Additional Extraordinary Fund Event(s): [specify]
  - (e) NAV Barrier: [specify]

- (f) Number of NAV Publications Days: *[specify]*
  - (g) Settlement Price: *[specify]*
  - (h) Consequences of Extraordinary Fund Event: *[specify]*
  - (i) Relevant Time: [The relevant time is [●].]
  - (j) Additional Provisions: *[specify]*
29. Market Access Certificates: [The provisions of Annex [1/2/4]<sup>38</sup> (Additional Terms and Conditions for [Index/Share/Debt Security] Certificates) and Annex 9 (*Additional Terms and Conditions for Market Access Certificates*) shall apply]
- (a) [Share Amount / Debt Securities Amount]: *[specify]*
  - (b) Market Access Certificate Condition 1 of Annex 9 (*Interim Payment Amount/Interim Coupon Amount*): [Applicable / Not Applicable]
  - (c) The Coupon Payment Dates are [●]
  - (d) Market Access Certificate Condition 2 (*Potential Adjustment Event*): [Applicable / Not Applicable]
  - (e) Market Access Certificate Condition 3 (*Stock Dividends or Stock Distributions and Rights Issues*): [Applicable / Not Applicable]
  - (f) Market Access Certificate Condition 4 (*Issuer's option following an Additional Disruption Event*): [Applicable/Not Applicable]
  - (g) Market Access Certificate Condition 5 (*Regulatory Change Event*): [Applicable / Not Applicable]
  - (h) Market Access Certificate Condition 6 (*Early Termination Event*): [Applicable / Not Applicable]

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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.

- (i) Market Access Certificate Condition 7 (*Additional Condition*): [Applicable / Not Applicable]
- (j) Market Access Certificate Condition 8 (*Early Redemption of Certificates linked to underlying Shares that are yet to be listed*): [Applicable / Not Applicable]
- (i) Expected Listing Date is [●]
- (ii) 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)*

(a) 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]

(b) 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]

(c) Fixed Coupon Amount[(s)]:

[specify]

(d) Day Count Fraction:

[specify] [30/360 / Actual/Actual (-ICMA /-ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / other (see Condition 7 for alternatives)]

- (e) 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]))
- (f) 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)*
- (a) Interest Period(s): [specify]
- (b) Interest Payment Date(s): [specify]
- (c) 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)]
- (d) 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)]
- (e) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the Calculation Agent): [specify]
- (f) Screen Rate Determination:
- (i) Relevant Time: [specify]
- (ii) 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]]
- (iii) Primary Source for Floating Rate: [specify relevant screen page or "Reference Banks"]
- (iv) Relevant Financial Centre: [The financial centre most closely connected to the Benchmark]
- (v) Benchmark: [EURIBOR, LIBOR, LIBID, LIMEAN, or other benchmark]

- (vi) Specified Duration: *[specify period for quotation if not duration of Interest Accrual Period]*
- (g) ISDA Determination (Condition 5(D)(x)):
  - (i) Floating Rate Option: *[specify]*
  - (ii) Designated Maturity: *[specify]*
  - (iii) Reset Date: *[specify]*
  - (iv) ISDA Definitions: *[specify definitions if different from those set out in the Conditions]*
- (h) Margin(s): *[+/-][specify] per cent per annum*
- (i) Minimum Interest Rate: *[specify] per cent per annum*
- (j) Day Count Fraction: *[Actual/365*  
*Actual/365 (Fixed)*  
*Actual/360*  
*30/360*  
*30E/360*  
*other] (see Condition 5.4(f) for alternatives)*
- (k) 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)*
  - (a) Formula: *[specify]*
  - (b) Party responsible for calculating interest: *[Calculation Agent/other]*
  - (c) Provisions for determining Interest Rate and Interest Amount where calculation by reference to formula is impossible or impracticable: *[specify]*



- (d) Interest Period(s): [specify]
- (e) Interest Payment Date(s): [specify]
- (f) Business Day Convention: [specify]
- (g) 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.)*
- (a) Optional Redemption Date(s): [specify]
  - (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [specify]
  - (c) Notice period (if different from those set out in the Conditions): [specify]

**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.)*
- (a) Optional Redemption Date(s): [specify]
  - (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [specify]
  - (c) Notice period (if different from those set out in the Conditions): [specify]

**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] *(N.B. Where Automatic Exercise applies, the Certificates are Share Certificates and the Shares are traded on the Italian regulated market organised and managed by Borsa Italiana, insert "the [Scheduled Trading Day] immediately preceding the Exercise Date".)*

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 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]
- (a) 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:

- (i) The Certificates will be in the form of private placement definitive certificates;
- (ii) 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)];
- (iii) 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);
- (iv) The Certificates may [not] be transferred to non-U.S. Persons;
- (v) The Certificates may [not] be transferred to AIs;
- (vi) [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
- (vii) [*specify any amendments to the form of exercise notice (the form of which is set out in a schedule to the Agency Agreement)*].]

- (b) 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:

- (i) The Rule 144A Global Certificate will be deposited with [a custodian for DTC]/[a common depository on behalf of Clearstream, Luxembourg/Euroclear/Iberclear/other clearing system];

- (ii) 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)];
  - (iii) The Certificates may [not] be transferred to QIBs;
  - (iv) The Certificates may [not] be transferred to non-U.S. persons;
  - (v) 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);
  - (vi) [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
  - (vii) [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>39</sup>/[not applicable]]
48. Syndication: The Certificates will be distributed on a [non-]syndicated basis.  
*([If syndicated, specify names of the Managers])*

### **[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 able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

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If U.S. Warrants.

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 will be made to list the Certificates on the Italian Stock Exchange and to admit the Certificates for trading described herein on the "electronic securitised derivatives market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.]/[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 & Poor's, 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 [Italian National Commission for the Companies and the Market – CONSOB] [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 OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the **Financial Intermediaries**) in connection with offers of the Certificates to the public in [insert jurisdiction(s) where the Prospectus has been approved and published and jurisdictions into which it has been passported [(Public Offer Jurisdictions)] for the period set out in paragraph [9] below [(Offer Period)]].

**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>40</sup>**

Reasons for the offer [●]

(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

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].

Where Certificates are Italian Listed Certificates, include Cash Settlement Amount yield scenarios, i.e. positive scenario, intermediate scenario and worst case scenario; include back testing simulation; and include the source of all third party information]<sup>41</sup>

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40 Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

41 Additional consideration should be given to disclosure in the case of US Certificates.

## 8. Operational Information

[Relevant Clearing System(s): [Euroclear and Clearstream, Luxembourg/DTC/Euroclear France/Iberclear/VPC/Monte Titoli/other]

If other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme, Euroclear France, include the relevant identification number(s) and in the case of VPC Certificates, the VPC Certificate Agent: [Identification number(s)]

[VPC Certificate Agent:

[Svenska Handelsbanken AB (publ)/other]

Address: [ ]]

## 9. [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: [●]

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>42</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: [●]

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Whether in number of warrants or aggregate amount to invest.



[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: [●]

**10. [Placing and Underwriting]<sup>43</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: [●]

**11. Yield**

[An indication of yield. Describe the method whereby that yield is calculated in summary form.]

**12. [Form of Renouncement Notice**

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To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

**RENOUNCEMENT NOTICE**

(to be completed by the Holder of the Certificate)

[BNP Paribas Arbitrage Issuance B.V./BNP Paribas]

[insert title of Certificates]

ISIN: [ ]

(the "**Certificates**")

To: Monte Titoli S.p.A.

[address]

Fax No:[ ]

Copy: [Italian Agent]

[address]

Fax No:[ ]

We the undersigned Intermediary

\_\_\_\_\_

holding in custody the Certificates

on behalf of our client hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Certificates in accordance with the Terms and Conditions of the Certificates, as amended and/or supplemented by the applicable Final Terms (the "**Certificate Terms**").

ISIN Code of the Certificates:

\_\_\_\_\_

Number of Certificates the subject of this notice:

\_\_\_\_\_

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Certificate Terms or is determined to be incomplete or not in proper form (in the determination of the relevant Clearing System in consultation with the Italian Certificate Agent), or is not copied to the Italian Certificate Agent immediately after being delivered or sent to the relevant Clearing System it will be treated as null and void.

If this Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Italian Certificate Agent, it will be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the relevant Clearing System and the Italian Certificate Agent.

Expressions defined in the Certificate Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

\_\_\_\_\_

Signature of the legal representative of the Intermediary.]<sup>44</sup>

[Declaration of receipt of this Final Terms dated [●] by the investor in the Certificates

I ..... hereby declare that I have received and read the Final Terms dated ..... before purchasing the Securities described therein.

\_\_\_\_\_ dated \_\_\_\_\_

[Investor's signature]]<sup>45</sup>

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44 Insert in the case of Italian Listed Certificates.

45 Only applicable where the Certificates are offered to the public in Italy but are unlisted.

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

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

[Other or Alternative Definitions/Provisions]

[●]

## OFFERING AND SALE

The following Italian selling restriction shall replace the existing Italian selling restriction in the Offering and Sale section of the Base Prospectus:

### Republic of Italy

Until the offering of the Securities has been registered pursuant to Italian securities legislation, 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:

- (a) to qualified investors (*operatori qualificati*) (the **Qualified Investors**), as defined in Article 31, second paragraph, of CONSOB (the Italian Securities Exchange Commission) Regulation No. 11522 of 1 July 1998, as amended (**CONSOB Regulation No. 11522**); or
- (b) 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 **Italian Financial Services Act**) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**CONSOB 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 (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 11522 and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**); and
- (ii) in compliance with Article 129 of the Italian 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
- (iii) 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 Italian 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 Italian Financial Services Act and CONSOB 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.*

## ITALIAN TAXATION

The following Italian taxation section shall replace the existing Italian taxation section in the Base Prospectus.

"The following is a summary of current Italian law and practise relating to the taxation of the Warrants and Certificates. 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.

In the near future, the Italian Government could be authorised by 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.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in 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 or 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 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 adopted similar measures (a withholding system in the case of Switzerland).

### **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 commercial 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."



**ANNEX 1**

**BNP PARIBAS' CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2007**

**ANNEX 2**

**STATUTORY AUDITOR'S REVIEW REPORT ON BNP PARIBAS' FIRST HALF YEAR  
FINANCIAL INFORMATION 2007**