

**THIRD SUPPLEMENT DATED 8 JANUARY 2008**  
**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 supplement (the **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**) the first supplement to the Base Prospectus dated 11 July 2007, the second supplement to the Base Prospectus dated 3 October 2007, 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, as supplemented, have the same meaning when used in this Third 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 Third 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 the first supplement to the Base Prospectus dated 11 July 2007, the second supplement to the Base Prospectus dated 3 October 2007 and this Third 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 Third 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 amend and restate the Form of Final Terms for Warrants and the Terms and Conditions of the Warrants and amend the Risk Factors in the Base Prospectus to provide for, *inter alia*, Warrants to be issued under the Programme in dematerialised form for clearing and settlement in Monte Titoli S.p.A. (**Monte Titoli (Dematerialised Warrants)**) and for Dematerialised Warrants to be admitted to trading on the electronic "Securitized Derivatives Market" (the **SeDeX**), organised and managed by Borsa Italiana S.p.A. (**Borsa Italiana**);
- (b) to amend and restate the Form of Final Terms for Certificates and the Terms and Conditions of the Certificates to provide for, *inter alia*, Certificates to be issued under the programme in

dematerialised form for clearing and settlement in Monte Titoli (**Dematerialised Certificates** and together with the Dematerialised Warrants, **Dematerialised Securities**) and for Dematerialised Certificates to be admitted to trading on the SeDex, organised and managed by Borsa Italiana;

- (c) to amend the taxation section with respect to Italy; and
- (d) to amend the "Offering and Sale " section with respect to the Italian selling restriction.

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

Dematerialised Securities have not been and will not be registered under the U.S. Securities Act of 1933. Dematerialised Securities 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 Third Supplement is published have the right, exercisable within a time period of a minimum of two working days after the publication of this Supplement, to withdraw their acceptances.

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

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## **AMENDMENTS TO THE RISK FACTORS**

The Risk Factors section on page 18 of the Base Prospectus shall be amended as follows:

The paragraph entitled "Automatic Exercise and Renouncement Notices" shall be deleted in its entirety and replaced by the following new paragraph:

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

## TERMS AND CONDITIONS OF THE WARRANTS

The Terms and Conditions of the Warrants set out on page 55 of the Base Prospectus shall be deleted in its entirety and replaced by the following:

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

The series of Warrants described in the applicable Final Terms (in so far as it relates to such series of Warrants) (such Warrants being hereinafter referred to as the **Warrants**) are issued by whichever of BNP Paribas Arbitrage Issuance B.V. (**BNPP B.V.**) or BNP Paribas (**BNPP**) is specified as the Issuer in the applicable Final Terms (the **Issuer**) and references to the Issuer shall be construed accordingly. Only BNPP may issue U.S. Warrants. The Warrants are issued pursuant to an Agency Agreement dated 30 May 2007 as supplemented by the First Supplemental Agency Agreement dated 3 October 2007, the Second Supplemental Agency Agreement dated 21 November 2007, the Third Supplemental Agency Agreement dated 2 January 2008 and the Fourth Supplemental Agency Agreement dated 8 January 2008 (as further amended and/or supplemented from time to time, the **Agency Agreement**) between BNPP B.V. as issuer, BNPP as issuer and (where the Issuer is BNPP B.V.) as guarantor (in such capacity, the **Guarantor**), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as Agent in respect of the Warrants, the **Principal Warrant Agent**), BNP Paribas Arbitrage SNC as agent (if specified in the applicable Final Terms as Agent in respect of the Warrants, the **Principal Warrant Agent**), The Bank of New York as New York warrant agent (the **New York Warrant Agent**), The Bank of New York as definitive warrant agent (the **Definitive Warrant Agent**), BNP Paribas Securities Services Milan Branch as Italian Warrant Agent (the **Italian Warrant Agent**) (each, a **Warrant Agent** and collectively, the **Warrant Agents**), BNP Paribas Securities Services S.A., Frankfurt Branch and BNP PARIBAS Securities (Japan) Limited as registrar in respect of Registered Warrants (the **Registrar**) as supplemented in the case of VPC Warrants by an issuing and paying agency agreement dated 11 July 2007 (as amended and/or supplemented from time to time, the **VPC Agency Agreement**) between BNPP B.V. and Svenska Handelsbanken AB (publ) as VPC warrant agent (the **VPC Warrant Agent**). The expression **Warrant Agent** shall include in respect of VPC Warrants, the VPC Warrant Agent and shall include any additional or successor warrant

agent in respect of the Warrants. BNP Paribas or BNP Paribas Arbitrage SNC (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the **Calculation Agent**) in respect of the Warrants as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Warrants, include such other specified calculation agent. The Agency Agreement will be governed by English Law in the case of English Law Warrants (the **English Law Agency Agreement**) and by French Law in the case of French Law Warrants (as defined in Condition 4 below) (the **French Law Agency Agreement**). The VPC Agency Agreement will be governed by Swedish Law.

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

English Law Warrants that are VPC Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: *Lag (1998:1479) om kontoföring av finansiella instrument*) (the **SFIA Act**). VPC Warrants will not be issued in definitive form.

English law Warrants that are Dematerialised Italian Warrants will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. (**Monte Titoli**) pursuant to Italian legislative decree no. 213/1998, as amended and implemented and subsequent implementing provisions. Dematerialised Italian Warrants will not be issued in definitive form.

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

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

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

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

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

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

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

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

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

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

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

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

The Holders (as defined in Condition 1.2) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the Warrants) and the applicable Final Terms, which are binding on them.

## 1. TYPE, TITLE AND TRANSFER

### 1.1 Type

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

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

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to (a) Physical Delivery Warrants, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of



such Warrant pursuant to Condition 5.4(a) and where settlement is to be by way of cash payment, and (b) Physical Delivery Warrants where settlement is to be automatically varied to be by way of a cash payment pursuant to Condition 5.4(a). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Warrant pursuant to Condition 5.4(a) and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, BNPP does not have the option to vary settlement in respect of the U.S. Warrants pursuant to Condition 5.4(a).

Warrants may, if specified in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Warrants where the Holder has elected for cash payment will be Cash Settled Warrants and those Warrants where the Holder has elected for physical delivery will be Physical Delivery Warrants. The rights of a Holder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms and will be subject to the Issuer's right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with Condition 5.5.

## 1.2 Title to Warrants

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

In the case of VPC Warrants, the person for the time being shown in the VPC Register as the holder of a particular amount of Warrants shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Warrant Agents, VPC and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions **Holder** and **Holder of Warrants** and related expressions shall be construed accordingly). The Issuer shall cause such Warrants to be accepted by VPC for clearing and registration in the VPC System in accordance with the SFIA Act and the VPC Rules. The Issuer shall have the right to obtain extracts from the debt register of VPC.

In the case of Dematerialised Italian Warrants, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Warrants (in which regard any record held by Monte Titoli as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Italian Warrant Agent and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions **Holder** and **Holder of Warrants** and related expressions shall be construed accordingly). The Issuer shall cause Dematerialised Italian Warrants to be dematerialised and centralised with Monte Titoli, pursuant to Italian legislative decree no. 213/1998 as amended and integrated by subsequent implementing provisions.

Title to French Law Warrants will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of such Warrants. The Warrants will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

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

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the Rule 144A Global Warrant will be registered in the name of Cede & Co., as nominee of DTC, but this does not confer any rights or benefits on Cede & Co. or any other nominee of DTC in whose name a Rule 144A Global Warrant may be registered. Transfers of such Rule 144A Global Warrant by such nominee of DTC shall be limited to transfers of such Rule 144A Global Warrant, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. Rights conferred by the Rule 144A Global Warrant are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 1.4 below, each person who is for the time being shown in the records of DTC as the Holder of a particular number of Warrants shall (except as otherwise required by law) be treated by the Issuer and the New York Warrant Agent as the Holder of such amount of Warrants for all purposes (and the expressions **Holder of Warrants** and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Warrants, BNPP shall cause to be kept at the principal office of the Definitive Warrant Agent, a register (the **Private Placement Register**) on which shall be entered the names and addresses of all holders of Private Placement Definitive Warrants, the amount and type of Private Placement Definitive Warrants held by them and details of all transfers of Private Placement Definitive Warrants. Subject as set forth in Condition 1.4 below, the persons shown in the Private Placement Register (each a **Holder**) shall (except as otherwise required by law) be treated as the absolute owners of the relevant Private Placement Definitive Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

### 1.3 Title to Registered Warrants

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

### 1.4 Transfers of Interests in Clearing System Warrants and Private Placement Definitive Warrants

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

Subject as set forth in this Condition, all transactions (including permitted transfers of Warrants) in the open market or otherwise must be effected, in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg or

Euroclear and/or any other relevant Clearing System through an account at Euroclear or Clearstream, as the case may be, and/or any other relevant Clearing System or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, through a direct or indirect participant of DTC, subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Transfers in respect of Clearing System Warrants governed by French Law, must be effected through Account Holders(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System.

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

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

- (F) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant, from a Holder of Warrants represented by a Rule 144A Global Warrant, upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S; and
  - (G) in each case, in accordance with any applicable rules and regulations of the Principal Warrant Agent, the New York Warrant Agent, the Definitive Warrant Agent, the relevant Clearing System, and/or as specified in the applicable Final Terms.
- (ii) The Holder must send:
- (A) in the case of transfers of Private Placement Definitive Warrants, a free of payment instruction to the Definitive Warrant Agent, not later than 5.00 p.m., New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect;
  - (B) in the case of transfers of Warrants represented by a Regulation S Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, a free of payment instruction to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, not later than 10.00 a.m. local time in the city of the relevant Clearing System, one Business Day in the city of the relevant Clearing System prior to the date on which the transfer is to take effect; and
  - (C) in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, a free of payment instruction to DTC, not later than 5.00 p.m. New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect.

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

- (iii) On the transfer date:
- (A) (x) in the case of transfers of Warrants represented by a Clearing System Global Warrant, the relevant Clearing System will debit the account of its participant and (y) in the case of transfers of Private Placement Definitive Warrants, the Holder must deliver the Private Placement Definitive Warrants the subject of the transfer to the Definitive Warrant Agent and instruct the Definitive Warrant Agent to cancel the transferred Private Placement Definitive Warrants; and
  - (B) the relevant Clearing System or the Holder, as the case may be, will instruct (x) in the case of transfers to a person who takes delivery in the form of Warrants represented by a Regulation S Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Warrant Agent to instruct Clearstream, Luxembourg and Euroclear

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

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

available from any Warrant Agent) to the Definitive Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI who is acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act;

- (C) in the case of transfers from a Holder of Warrants represented by a Regulation S Global Warrant, upon (x) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (y) within the Distribution Compliance Period only, certification (in the form from time to time available from any Warrant Agent) to the Definitive Warrant Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is an AI acquiring such Warrants in a transaction exempt from the registration requirements of the Securities Act; and
- (D) in each case, in accordance with any applicable securities laws of any state of the United States and any applicable rules and regulations of the New York Warrant Agent, the Definitive Warrant Agent, the relevant Clearing System and/or as specified in the applicable Final Terms.

(ii) The Holder must send:

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

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

(iii) On the transfer date:

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

- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Warrant Agent to deliver or procure the delivery of new Private Placement Definitive Warrants, of a like number to the number of Warrants transferred, to the transferee at its specified office or send such new Private Placement Definitive Warrants, by uninsured mail, at the risk of the transferee, to such address as the transferee may request.
- (iv) Upon any such transfer, on the transfer date:
  - (A) the Principal Warrant Agent will, in the case of transfers of Warrants represented by a Regulation S Global Warrant or a Rule 144A Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant, if appropriate, whereupon the number of Warrants represented by such Regulation S Global Warrant or Rule 144A Global Warrant shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
  - (B) the New York Warrant Agent will, in the case of transfers of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, decrease the number of Warrants represented by such Rule 144A Global Warrant, if appropriate, whereupon the number of Warrants represented by such Rule 144A Global Warrant shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.
- (c) In the case of transfers of Warrants to a person who takes delivery in the form of a Private Placement Definitive Warrant, the delivery of a duly executed investor representation letter in the form set out in the Agency Agreement (an **Investor Representation Letter**) from the relevant transferee to the Definitive Warrant Agent is a condition precedent to the transfer of such Private Placement Definitive Warrant or any beneficial interests therein. The Investor Representation Letter must be duly executed by such proposed transferee or such proposed transferee's attorney duly authorised in writing, at least three Business Days in New York prior to the date the transfer of such Private Placement Definitive Warrant is desired. Any attempted transfer in which the Investor Representation Letter and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on BNPP.

If (i) the Principal Warrant Agent (in relation to Regulation S Global Warrants and Rule 144A Global Warrants held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Warrant Agent (in relation to Rule 144A Global Warrants held by a Custodian on behalf of DTC) or (iii) the Definitive Warrant Agent (in relation to Private Placement Definitive Warrants) subsequently determines or is subsequently notified by BNPP that (A) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Warrant was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, or (B) the Holder of any interest in any Warrant was in breach, at the time given, of any representation or agreement given by such Holder (including, but not limited to, in the case of Private Placement Definitive Warrants, any such representation or agreement set forth in the relevant Investor Representation Letter) or (C) a transfer or attempted transfer of any interest in any Warrant was consummated that did not comply with the transfer restrictions set forth in this Condition 1.4, the purported transfer shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee

(such purported transferee, a **Disqualified Transferee**) and the last preceding Holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Holder thereof retroactively to the date of transfer of such interest by such Holder.

### **1.5 Transfers of Registered Warrants**

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

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

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

### **1.6 Transfers of VPC Warrants**

Title to VPC Warrants will pass upon entry in the VPC Register (or, if applicable, notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

### **1.7 Transfers of Dematerialised Italian Warrants**

Title to Dematerialised Italian Warrants will pass upon registration of the transfer in the records of Monte Titoli.

## **2. STATUS OF THE WARRANTS AND GUARANTEE**

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

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

## **3. GUARANTEE**

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Warrants as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Warrants as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such



payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Warrants in accordance with Condition 5.4 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Warrants, but in lieu thereof, to make payment in respect of each such Physical Delivery Warrant of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise of such Warrants assuming they were Cash Settled Warrants calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Warrant less the costs of unwinding any underlying related hedging arrangements (the **Guaranteed Cash Settlement Amount**) and (ii) in the case of Warrants where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the BNPP B.V. Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Warrants deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 5.3(b)) or (y) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 16(a)), in lieu of such delivery BNPP will make payment in respect of each such Warrant of, in the case of (x) above, the Guaranteed Cash Settlement Amount or, in the case of (y) above, the Failure to Deliver Settlement Price (as defined in Condition 16(c)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Warrant shall constitute a complete discharge of BNPP's obligations in respect of such Warrant. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

#### 4. DEFINITIONS

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

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

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

**Averaging Date** means, in respect of an Actual Exercise Date:

- (a) in the case of Index Warrants, Share Warrants, Debt Warrants or Currency Warrants, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
  - (i) if **Omission** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the

provisions of the definition of **Valuation Date** will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

- (ii) if **Postponement** is specified as applying in the applicable Final Terms, then the provisions of the definition of **Valuation Date** will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if **Modified Postponement** is specified as applying in the applicable Final Terms then:
  - (A) where the Warrants are Index Warrants relating to a single Index or Share Warrants relating to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)0 of the definition of **Valuation Date** below;
  - (B) where the Warrants are Index Warrants relating to a basket of Indices or Share Warrants relating to a basket of Shares, the Averaging Date for each Index or, Share or Commodity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for each Index or, Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Share. If the first succeeding Valid Date in relation to such Index or Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that Scheduled Trading Day is already an Averaging Date) in respect of such Index or Share, and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (ii)0 below of the definition of **Valuation Date** below; and
  - (C) where the Warrants are Debt Warrants or Currency Warrants, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or
- (b) in the case of Commodity Warrants, each date specified as such in the applicable Final Terms;

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

**Cash Settlement Amount** means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to Condition 5.2;

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

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

**Dematerialised Italian Warrants** means Warrants issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 213/1998 as amended and integrated by subsequent implementing provisions;

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

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

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

**Entitlement** means, in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 12) rounded down as provided in Condition 5.3(a), as determined by the Calculation Agent including any documents evidencing such Entitlement;

**Exercise Business Day** means:

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

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

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

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

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

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

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

**Italian Listed Warrants** means Warrants which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the **SeDeX**), organised and managed by Borsa Italiana S.p.A;

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

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

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

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

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

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

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

**Scheduled Valuation Date** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

**Settlement Date** means:

(a) in relation to Cash Settled Warrants:

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

(b) in relation to Physical Delivery Warrants the date specified as such in the applicable Final Terms;

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

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

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

**Valuation Date** means,

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

(i) where the Warrants are Index Warrants relating to a single Index, Share Warrants relating to a single Share or Debt Warrants relating to a single Debt Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days

equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:

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

- (y) in the case of a Share or Debt Security, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day;
- (b) in the case of Commodity Warrants, the date specified in the applicable Final Terms, and otherwise in accordance with the above provisions; or

**Valuation Time** means:

- (a) the Relevant Time specified in the applicable Final Terms;
- (b) in the case of Index Warrants relating to a Composite Index, unless otherwise specified in the applicable Final Terms,
  - (i) for the purposes of determining whether a Market Disruption Event has occurred:
    - (A) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component; and
    - (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and
  - (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) in the case of Index Warrants relating to Indices other than Composite Indices or Share Warrants, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;

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

**VPC** means VPC AB (the Swedish Central Securities Depository authorised as such under the SFIA Act);

**VPC Register** means the register opened in the VPC System for VPC Warrants issued or to be issued by the Issuer;

**VPC System** means the technical system at VPC for the registration of securities and the clearing and settlement of securities transactions; and

**VPC Warrants** means Warrants in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by VPC for clearing and registration in the VPC System.

## 5. EXERCISE RIGHTS

### 5.1 Exercise Period

#### (a) American Style Warrants

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

#### *Clearing System Warrants*

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

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

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 6.9 shall apply.

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

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

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

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City



time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 6.9 shall apply.

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

#### *Registered Warrants*

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

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 6.9 shall apply.

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

### *Private Placement Definitive Warrants*

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

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 6.9 shall apply.

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

### *Dematerialised Italian Warrants*

If the Warrants are Dematerialised Italian Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10:00am, Milan time on the Expiration Date shall be automatically exercised on the Expiration Date.

The Exercise Business Day during the Exercise Period on which an Exercise Notice (an **Exercise Notice**) in, or substantially in, the form set out in the applicable Final Terms, is delivered by the Holder prior to 10.00 a.m. (Milan time) to the Italian Warrant Agent, and the copy thereof is received by the Issuer or if the Warrants are automatically exercised, the Expiration Date is referred to herein as the **Actual Exercise Date**. If any Exercise Notice is received by the Italian Warrant Agent, or if the copy thereof is received by the Issuer, in each case, after 10.00 a.m. (Milan time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered to the Italian Warrant Agent, and the copy thereof is received by the Issuer, at or prior to 10.00 a.m. (Milan time) on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

If the Warrants are Dematerialised Warrants and Italian Listed Warrants and such Warrants are automatically exercised on the Expiration Date, prior to 10:00 a.m. (Milan time) on the Expiration Date the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a **Renouncement Notice**) in, or substantially in, the form set out in the applicable Final Terms to the Italian Warrant Agent, with a copy thereof to the Issuer . Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Warrant Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Warrant Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Warrant Agent.

**(b) European Style Warrants**

European Style Warrants are only exercisable on the Exercise Date.

*Clearing System Warrants*

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

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

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6.9 shall apply.

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

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

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6.9 shall apply.

*Registered Warrants*

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

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6.9 shall apply.

#### *Private Placement Definitive Warrants*

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

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6.9 shall apply.

#### *VPC Warrants*

If the Warrants are VPC Warrants the Warrants will be automatically exercised on the Exercise Date.

#### *Dematerialised Italian Warrants*

If the Warrants are Dematerialised Italian Warrants, the Warrants will be automatically exercised on the Exercise Date, subject as provided in the following paragraph.

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

## **5.2 Cash Settlement**

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, in the case of Warrants represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by Rule 144A Global Warrants and Private Placement Definitive Warrants, to such certifications as to compliance with U.S. securities laws as BNPP shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

- (a) where Averaging is not specified in the applicable Final Terms:
  - (i) if such Warrants are Call Warrants,  
 (Settlement Price less Exercise Price) multiplied by, in the case of Debt Warrants only, the nominal amount;
  - (ii) if such Warrants are Put Warrants,  
 (Exercise Price less Settlement Price) multiplied by, in the case of Debt Warrants only, the nominal amount; and
  - (iii) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;
- (b) where Averaging is specified in the applicable Final Terms:
  - (i) if such Warrants are Call Warrants,  
 (the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Warrants only, the nominal amount;
  - (ii) if such Warrants are Put Warrants,  
 (Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Warrants only, the nominal amount; and
  - (iii) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

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

### **5.3 Physical Settlement**

#### **(a) Exercise Rights in relation to Physical Delivery Warrants**

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

Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

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

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

**(b) Settlement Disruption**

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

For the purposes hereof:

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

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

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

(c) **Failure to Deliver due to Illiquidity**

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

**5.4 Variation of Settlement**

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

**5.5 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount**

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

its sole and absolute discretion by reference to such sources as it considers appropriate (the **Alternate Cash Amount**). Notification of any such election will be given to Holders in accordance with Condition 11.

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

## 5.6 General

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

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

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

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

## 6. EXERCISE PROCEDURE

### 6.1 Exercise Notice in respect of Clearing System Warrants

Subject as provided in Condition 6.9, Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an **Exercise Notice**) in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) and the relevant Warrant Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Warrant Agent in accordance with the provisions set out in Condition 5 and this Condition.

Subject as provided in Condition 6.9, Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery by facsimile of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Warrant Agents) to the New York Warrant Agent with a copy to the Principal Warrant Agent, in accordance with the provisions set out in Condition 5 and this Condition.

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



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

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
  - (ii) specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with the Warrants being exercised or, in case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
  - (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Warrant Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Holder and credited to the account of the New York Warrant Agent by means of DTC's Deposit and Withdrawal at Custodian, or **DWAC**, function;
  - (iv) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Clearing System or Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Warrant Agent on the Actual Exercise Date;
  - (v) include an undertaking to pay all Exercise Expenses and (A) in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or a French Law Warrant, an authority to the relevant Clearing System to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Exercise Expenses, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Warrant Agent to debit a specified account of the Holder in respect thereof and to pay such Exercise Expenses;
  - (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account with the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, or (B) in the case of Warrants

represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with any cash payable by BNPP, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of BNPP electing to pay the Alternate Cash Amount;

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

all as provided in the Agency Agreement.

- (c) If Condition 5.4(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the Warrant Agents during normal office hours.

If Condition 5.4(b) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

## 6.2 Exercise Notice in respect of Private Placement Definitive Warrants

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

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
  - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

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

all as provided in the Agency Agreement.

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

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

States of America as required by BNPP or indicated and set out in the applicable Final Terms; and

- (viii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.4(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Definitive Warrant Agent.

### 6.3 Exercise Notice in respect of Registered Warrants

The following provisions apply to Registered Warrants:

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

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

all as provided in the Agency Agreement.

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

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

all as provided in the Agency Agreement.

- (c) If Condition 5.4(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Registrar.

#### **6.4 Exercise Notice in respect of Dematerialised Italian Warrants**

Warrants which are Dematerialised Italian Warrants, may be exercised by the delivery or the sending by fax of a duly completed Exercise Notice to the Italian Warrant Agent, with a copy to the Issuer, in accordance with the provisions set out in Condition 5 and this Condition.

The Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

- (b) specify the number of the Holder's securities account with Monte Titoli to be debited with the Warrants;
- (c) irrevocably instruct Monte Titoli to debit on or before the Settlement Date, the specified securities account with the Warrants being exercised;
- (d) specify the number of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (e) include an undertaking to pay or procure the payment of all Exercise Expenses, and an authority to the Italian Warrant Agent to deduct any amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit the specified account of the Holder ; and
- (f) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms.

Once delivered an Exercise Notice shall be irrevocable.

## **6.5 Verification of the Holder**

In the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), upon receipt of an Exercise Notice, the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System (in the case of English Law Warrants) or in the accounts of the relevant Account Holders (in the case of French Law Warrants). Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Warrant Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer thereof. The relevant Clearing System or, as the case may be, the relevant Account Holder will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the Clearing System Global Warrant, the Common Depository will, on the instructions of, and on behalf of the Principal Warrant Agent, note such exercise on the Schedule to such Clearing System Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

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

will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

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

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

In the case of Dematerialised Italian Warrants, upon receipt of an Exercise Notice, the Italian Warrant Agent shall verify that the person exercising the Warrants is the holder thereof according to the records of Monte Titoli. Subject thereto, Monte Titoli will confirm to the Italian Warrant Agent the series number and the number of Warrants being exercised and the account details for the payment of the Cash Settlement Amount. Upon such verification, the Italian Warrant Agent will inform the Issuer thereof. Monte Titoli will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised and accordingly reduce the number of Warrants of the relevant series by the cancellation *pro tanto* of the Warrants so exercised.

## **6.6 Settlement**

### **(a) Cash Settled Warrants**

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

If the Warrants are VPC Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by VPC on the fifth Business Day immediately prior to the Settlement Date (the **Record Date**). The VPC Warrant Agent will pay the Cash Settlement Amount through VPC to each Holder appearing in the VPC Register on the Record Date on the Settlement Date.



If the Warrants are Dematerialised Italian Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, by credit or transfer to the Holder's account at Monte Titoli for value on the Settlement Date less any Exercise Expenses. The Issuer or the Guarantor will be discharged by payment to, or to the order of, Monte Titoli in respect of the amount so paid. Each of the persons shown in the records of Monte Titoli as the holder of a particular amount of the Warrants must look solely to Monte Titoli for his share of each such payment so made to, or to the order of, Monte Titoli.

**(b) Physical Delivery Warrants**

Subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 5.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

**6.7 Determinations**

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (a) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants), (b) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Warrant Agent, (c) in the case of Private Placement Definitive Warrants, the Definitive Warrant Agent or (d) in the case of Registered Warrants, the Registrar (in each case, in consultation with the Principal Warrant Agent) or (e) in the case of Dematerialised Italian Warrants, the Italian Warrant Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Warrant Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant Agent or the Issuer, as the case may be, immediately after being delivered or sent to the relevant Clearing System, the New York Warrant Agent, the Definitive Warrant Agent or the Italian Warrant Agent, as the case may be, or, as the case may be, the relevant Account Holder as provided in Condition 6.1 above or the Registrar as provided in Condition 6.3 above, as the case may be, shall be null and void. In the case of Dematerialised Italian Warrants, the Italian Warrant Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with Monte Titoli, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Italian Warrant Agents, or Monte Titoli shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

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

If (a) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (b) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set

out above by the cut-off time specified in Condition 5.1(a), in the case of American Style Warrants, or Condition 5.1(b), in the case of European Style Warrants, shall become void.

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

## **6.8 Delivery of an Exercise Notice**

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

## **6.9 Automatic Exercise**

- (a) This Condition only applies if the Warrants are Cash Settled Warrants which are not VPC Warrants or Dematerialised Italian Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 5.1(a) or Condition 5.1(b).
- (b) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken (in the case of Clearing System Warrants other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (c) Unless otherwise provided in the applicable Final Terms in order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must (i) (x) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver by facsimile a duly completed Exercise Notice to the New York Warrant Agent with a copy to the Principal Warrant Agent or (y) in the case of Private Placement Definitive Warrants, deliver by facsimile a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrant to the Definitive Warrant Agent with a copy to the Principal Warrant Agent, on any Business Day in New York until not later than 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the day (the **Cut-off Date**) falling 180 days after (i) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants,

or (B) in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Warrant Agent, on any Business Day until not later than 10.00 a.m., Tokyo time, on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 6.1(a), Condition 6.1(b), Condition 6.1(c), Condition 6.2(a), Condition 6.2(b), Condition 6.2(c), Condition 6.3(a), Condition 6.3(b) or Condition 6.3(c), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, the New York Warrant Agent, the Definitive Warrant Agent or, as the case may be, the relevant Account Holder, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Warrant Agent is referred to in this Condition 6.9 as the **Exercise Notice Delivery Date**, provided that, (I) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Warrant Agent or the copy thereof is received by the Principal Warrant Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date, and (II) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Warrant Agent or the copy thereof received by the Principal Warrant Agent after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date and (III) in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Warrant Agent after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 6.9 prior to (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Cut-off Date or (b) in the case of Registered Warrants, 10.00 a.m., Tokyo time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Holder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

## **6.10 Exercise Risk**

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

## **7. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE**

### **7.1 American Style Warrants**

This Condition 7.1 applies only to American Style Warrants.

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

### **7.2 European Style Warrants**

This Condition 7.2 applies only to European Style Warrants.

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

## **8. ILLEGALITY AND FORCE MAJEURE**

### **8.1 Illegality**

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

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

If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, and except as may be limited in the case of U.S. Warrants, pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if applicable and if already paid by or

on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

## **8.2 Force Majeure**

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

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

## **9. PURCHASES**

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

## **10. WARRANT AGENTS, REGISTRAR, DETERMINATIONS AND MODIFICATIONS**

### **10.1 Warrant Agents and Registrar**

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

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

In the case of VPC Warrants the relevant Issuer is entitled to vary or terminate the appointment of the VPC Warrant Agent, provided that it appoints another VPC Warrant Agent that is duly authorised under SFIA Act as an account operator.

## **10.2 Calculation Agent**

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

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

## **10.3 Determinations by the Issuer and the Guarantor**

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

## **10.4 Modifications**

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

## **11. NOTICES**

All notices to Holders shall be valid if (a) (i) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) and Dematerialised Italian Warrants, delivered to the relevant Clearing System, (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) for communication by them to the Holders, (ii) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, to DTC for communication by it to the Holders and any such notices shall be conclusively presumed to have been received by the Holders, (iii) in the case of Warrants represented by Private Placement Definitive Warrants, mailed to their registered addresses appearing in the Private Placement Register, (iv) in the case of Registered Warrants, mailed to their registered addresses appearing in the Register, or (v) in the case of VPC Warrants, mailed by VPC in accordance with the SFIA Act and the VPC rules and (b) for so long as the Warrants are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority (in the case of Dematerialised Italian Warrants that are Italian Listed Warrants such notices shall be published by Borsa Italiana S.p.A.). If the Warrants are listed and admitted to trading on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, notices shall be published in a daily newspaper with general circulation in Luxembourg

which is expected to be the *d'Wort* or notices shall be made available on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

## **12. EXPENSES AND TAXATION**

- 12.1 A Holder of Warrants must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants and/or, if applicable, delivery or transfer of the Entitlement (the **Exercise Expenses**). Exercise Expenses relating to such Warrants as provided above.
- 12.2 The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

## **13. FURTHER ISSUES**

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

## **14. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR**

- 14.1 Except in the case of U.S. Warrants, the Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the Warrants any company (the **Substitute**), being the Issuer or any other company, subject to:
- (a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Warrants;
  - (b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Warrants represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;
  - (c) the Substitute becoming party to the Agency Agreement, (unless the Substitute is a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
  - (d) each stock exchange on which the Warrants are listed shall have confirmed that, following the proposed substitution of the Substitute, the Warrants will continue to be listed on such stock exchange and in the case of VPC Warrants, VPC has consented to such substitution (such consent not to be unreasonably withheld or delayed);
  - (e) if appropriate, the Substitute shall have appointed a process agent as its agent in England (in the case of English Law Warrants) or France (in the case of French Law Warrants) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Warrants; and
  - (f) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 11.

14.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Warrants any company (the **Substitute Guarantor**), being BNPP or any other company, subject to:

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

## 15. GOVERNING LAW

### 15.1 English Law Warrants

- (a) The English Law Warrants (including VPC Warrants and Dematerialised Italian Warrants), the English Law Agency Agreement and the English Law Guarantee are governed by, and shall be construed in accordance with, English law.
- (b) This Condition is for the benefit of the Holders of English Law Warrants only. Subject as provided below, the courts of England shall have exclusive jurisdiction to settle all disputes that may, directly



or indirectly, arise out of or in connection with the English Law Warrants and the English Law Guarantee and consequently each of the Issuer and the Guarantor submits to the exclusive jurisdiction of the English courts to hear all suits, actions or proceedings (together hereafter termed the **Proceedings**) relating to any such dispute. Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition 15.1 shall limit the right of the Holders to take any Proceedings against the Issuer and/or the BNPP B.V. Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

- (c) Each of the Issuer and the Guarantor hereby appoints BNP Paribas, London branch at its registered office at 10 Harewood Avenue, London NW1 6AA, as their agent in England to receive service of process in any Proceedings in England relating to the English Law Warrants and the English Law Guarantee, as the case may be. If for any reason such process agent ceases to act as such or no longer has an address in England, each of the Issuer and the Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Warrants of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

## 15.2 French Law Warrants

The French Law Warrants, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto (**Proceedings**) shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*). Nothing in this Condition 15.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

## 16. ADDITIONAL DISRUPTION EVENTS

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

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

**Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share Warrants) or any relevant hedge positions relating to an Index (in the case of Index Warrants);

**Failure to Deliver due to Illiquidity** means, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **Affected Relevant Assets**)

comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets;

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

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

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Warrants, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

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

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

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

**Loss of Stock Borrow** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share (in the case of Share Warrants) or any securities/commodities comprised in an Index (in the case of Index Warrants) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate; and

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

(b) **Additional Definitions**

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

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

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

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

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

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

order to hedge, either individually or on a portfolio basis, the Warrants) or the costs of so doing would (in the absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise; and

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

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

If a Failure to Deliver due to Illiquidity occurs:

- (iii) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 5.3(b) and the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (iv) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Warrants (in which case another price or prices will be specified in the applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

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

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

## 17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

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

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

The election will have effect as follows:

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

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

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

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

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

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

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

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

#### 18. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## ANNEX 1

### ADDITIONAL TERMS AND CONDITIONS FOR INDEX WARRANTS

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

#### 1. Definitions

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

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

**Disrupted Day** means:

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

**Early Closure** means:

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

**Exchange** means:

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

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

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

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

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



**Exchange Disruption** means:

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

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

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

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

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

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

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

Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Index;

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

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

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

**Trading Disruption** means:

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

## 2. Market Disruption

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

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

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

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

### **3. Adjustments to an Index**

#### **3.1 Successor Index Sponsor Calculates and Reports an Index**

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the Index.

#### **3.2 Modification and Cessation of Calculation of an Index**

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

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Warrants and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (b) unless Cancellation on Occurrence of Index Adjustment Event is specified as being not applicable in the applicable Final Terms, the Issuer may cancel the Warrants by giving notice to Holders in accordance with General Condition 11. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11.

#### **3.3 Notice**

The Calculation Agent shall, as soon as practicable, notify the relevant Warrant Agent or the Registrar, as the case may be, of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Warrant Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

#### 4. **Correction of Index**

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

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

5.1 If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

5.2 If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

5.3 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

5.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

5.5 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**Knock-in Event** means:

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

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

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

**Knock-in Determination Day** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject, in either case, to the provisions set forth in Index Warrant Condition 2 (Market Disruption). For the purposes of such Condition, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" in General Condition 3.3 shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day";

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

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

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

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

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

**Knock-out Event** means:

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

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

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

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

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

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

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## ANNEX 2

### ADDITIONAL TERMS AND CONDITIONS FOR SHARE WARRANTS

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

#### 6. Definitions

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

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

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

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

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

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

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

**Exchange Business Day (Single Share Basis)** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective



regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**Exchange Disruption** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share on the Exchange or (b) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange;

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

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

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

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

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

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

- (a) in the case of Share Warrants relating to a basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying

price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

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

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

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

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

## 7. **Market Disruption**

**Market Disruption Event** means, in relation to Warrants relating to a single Share or a basket of Shares, in respect of a Share the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

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

## 8. **Potential Adjustment Events**

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

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

Except as may be limited in the case of U.S. Warrants, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if

so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

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

**De-Listing** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

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

**Merger Date** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**Merger Event** means, in respect of any relevant Shares, any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (i) in the case of Cash Settled Warrants, the last

occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Warrant or (ii) in the case of Physical Delivery Warrants, the relevant Settlement Date.

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

**Tender Offer** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50% and less than 100% of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

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

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

accordance with General Condition 8. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11; or

- (d) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **Options Exchange**), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (e) on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-Listing (as the case may be), the Calculation Agent may adjust the basket to include a share selected by it in accordance with the criteria for share selection set out below (each, a **Substitute Share**) for each Share (each, an **Affected Share**) which is affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-Listing and the Substitute Share and its issuer will be deemed to be a **Share** and the relevant issuer of such shares **Basket Company** for the purposes of the Warrants, respectively, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (for the avoidance of doubt) the Exercise Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

"B" is the Exercise Price of the relevant Affected Share; and

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

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

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

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

- (i) is not already included in the basket;
- (ii) the relevant issuer of such share belongs to a similar economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

## **10. Correction of Share Price**

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

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

- 11.1 If **Knock-in Event** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 11.2 If **Knock-out Event** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is, in either case, expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 11.3 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-

in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- 11.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the price of the Share triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

## 11.5 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

**Knock-in Event** means:

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

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

**Knock-in Price** means, (a) in case of a single Share, the price per Share or (b) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Warrant Condition 2 (Market Disruption) and as set forth in Share Warrant Condition 8 (Potential Adjustment Events) and Share Warrant 9 (Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency);

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

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable



in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

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

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

**Knock-out Determination Day** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions set forth in Share Warrant Condition 2 (Market Disruption). For the purposes of such Condition, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out in these Conditions shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" in General Condition 9 shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day";

**Knock-out Event** means:

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

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

**Knock-out Price** means, (a) in the case of a single Share, the price per Share or (b) in the case of a Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Warrant Condition 2 (Market Disruption) and set forth in Share Warrant Condition 8 (Potential Adjustment Events) and Share Warrant Condition 9 (Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency);

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

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

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or, in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## ANNEX 3

### ADDITIONAL TERMS AND CONDITIONS FOR GDR WARRANTS

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

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

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

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

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

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

#### 2. Potential Adjustment Event

The following additional event shall be added to Share Warrant Condition 3 a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares.

#### 3. General

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

## ANNEX 4

### ADDITIONAL TERMS AND CONDITIONS FOR DEBT WARRANTS

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

#### 1. Settlement Price

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

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

#### 2. Market Disruption

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

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

### **3. Correction of Debt Security Price**

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

## ANNEX 5

### ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY WARRANTS

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

#### 1. Definitions

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

**Commodity Business Day** means:

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

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

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

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

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

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

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

**Index Component Disruption Event** means:

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

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

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

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

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

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

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

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

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

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

Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and

- (b) in the case of Commodity Warrants relating to a single Commodity or Commodity Index, an amount equal to the Relevant Price of the Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

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

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

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

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

## 2. **Market Disruption**

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

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition



- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

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

### 3. **Disruption Fallbacks**

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

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

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

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

(b) **Tax Disruption**

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

Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 11.

(c) **Price Source Disruption and Trading Disruption**

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

(d) **Index Component Disruption**

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

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

**4. Correction of Commodity Reference Price**

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

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

5.1 If **Knock-in Event** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

5.2 If **Knock-out Event** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

5.3 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

5.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if

on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

## 5.5 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

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

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

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

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

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

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

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

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

(y) the relevant Weighting is (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

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

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

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

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## ANNEX 6

### ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX WARRANTS

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

#### 1. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 2. **Delay in Publication**

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Valuation Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Valuation Date (the **Substitute Inflation Index Level**) shall be determined by the Calculation Agent (subject to Inflation Index Warrant Condition 4.2 (Substitute Inflation Index Level) below, as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (b) if (i) Related Bond is specified as not applicable in the relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a)

above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

- (i) Substitute Inflation Index Level = Base Level x (Latest Level/Reference Level); or
- (ii) otherwise in accordance with any formula specified in the relevant Final Terms,

where:

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

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

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

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

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

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

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

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

responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a "Successor Inflation Index"; or

- (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

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

## **4. Adjustments**

### **4.1 Successor Inflation Index**

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

### **4.2 Substitute Inflation Index Level**

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

### **4.3 Index Level Adjustment Correction**

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index Warrant Condition 4.6 below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Valuation Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Holders of any valid revision in accordance with General Condition 11.
- (b) If, within 30 days of publication or at any time prior to a Valuation Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Valuation Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to the Cash Settlement Amount



payable under the Warrants (if any) and/or any other relevant term of the Warrants as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Holders of any such adjustment and/or amount in accordance with General Condition 11.

- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Valuation Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Index Warrants and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (ii) to make any adjustment to the Cash Settlement Amount payable under the Warrants (if any) and/or any other relevant term of the Warrants as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Holders of any determination in respect of (i) or (ii), together with any adjustment or amount in respect thereof, in accordance with General Condition 11.

#### **4.4 Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Cash Settlement Amount, Exercise Price and/or any other relevant term of the Warrants (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to the Cash Settlement Amount, Exercise Price and/or any other relevant term of the Warrants as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with General Condition 11.

#### **4.5 Rebasing**

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

#### **4.6 Index Modification**

- (a) If on or prior to the Cut-Off Date in respect of any Valuation Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Warrants (including, without limitation, the Cash Settlement Amount payable under the Warrants), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (ii) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Inflation Index Warrants (including, without limitation, the Cash Settlement Amount payable under the Warrants), as the Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.
- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Valuation Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Valuation Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Settlement Date such that the provisions of subparagraph (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with subparagraph (a) above.

#### **4.7 Index Cancellation**

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

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

## ANNEX 7

### ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY WARRANTS

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

#### 1. Settlement Price

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

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

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

- 2.1 If **Knock-in Event** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

2.2 If **Knock-out Event** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Warrants which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

2.3 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

**Knock-in Event** means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Level as specified in the applicable Final Terms;

**Knock-in Level** means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms;

**Knock-in Period Ending Date** means the date specified as such in the applicable Final Terms;

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

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

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

**Knock-out Event** means (i) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (ii) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (x) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

**Knock-out Level** means (i) in the case of a single Subject Currency, the value of the Subject Currency or (ii) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

**Knock-out Period Beginning Date** means the date specified as such in the applicable Final Terms;

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms; and

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## ANNEX 8

### ADDITIONAL TERMS AND CONDITIONS FOR FUND WARRANTS

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

#### 1. Definitions

**Additional Extraordinary Fund Event** has the meaning given to it in the applicable Final Terms.

**Fund** means the Fund or Funds specified in the applicable Final Terms.

**Fund Documents** means the prospectus, information memorandum and/or offering circular issued by the Fund in respect of the Shares and the constitutional documents of the Fund in each case specified in the applicable Final Terms.

**Fund Share(s)** means the shares, units or other similar interests in the Fund specified in the applicable Final Terms.

**Hedge Provider** such party as may from time to time hedge the Issuer's payment obligations in respect of the Warrants. The Hedge Provider may be, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party holding Fund Shares or entering into any agreement to purchase or deliver, or pay an amount linked to the performance of the Fund Shares.

**NAV Barrier** has the meaning given to it in the applicable Final Terms or its equivalent in another currency.

**Net Asset Value per Fund Share** means the net asset value (howsoever such term is defined in the Fund Documents) per Fund Share.

**Number of NAV Publication Days** has the meaning given to it in the applicable Final Terms.

#### 2. Extraordinary Fund Events

**Extraordinary Fund Event** means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (a) the Fund or the investment advisor, investment manager or sub-manager (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law

affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (v) above;

- (b) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, the investment advisor, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Warrants;
- (c) any of the administrator, the custodian, the fund paying agent, the fund transfer agent, the domiciliary agent, the investment adviser and investment manager or sub-manager or other agents or the entities fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (d) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (e) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the Net Asset Value per Fund Share or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund (including, without limitation, the suspension of the Net Asset Value per Fund Share), in each case other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relate (either alone or in common with other Fund Shares issued by the Fund);
- (f) the investment advisor, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (g) (i) the occurrence of any event affecting the Fund Shares that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to

determine the value of the Fund Shares, and such event continues for at least ten Business Days; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Shares;

- (h) any of the Fund, the administrator or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the Net Asset Value per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (i) (i) any relevant activities of or in relation to the Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund or the investment adviser, manager or sub-manager thereof, (iii) the Fund is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Notes;
- (j) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares submitted by the Hedge Provider (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdictions legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares) as described in the Fund Documents, (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Warrants or (vi) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason;
- (k) the aggregate net asset value of the Fund falls below the NAV Barrier;
- (l) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or the investment advisor, investment manager or sub-managers which in



the determination of the Calculation Agent could materially affect the value of the Fund Shares;

- (m) the currency denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (n) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Warrants, (a **Tax Event**) and, subject as provided below, the Issuer or the Hedge Provider has, for a period of 20 Business Days following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;
- (o) in connection with any hedging activities in relation to the Warrants, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a **Relevant Event**) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a Fund Share holder of the Fund or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of five Business Days following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of five Business Days set out above shall be deemed satisfied on any date it is or becomes at any time that there is no means of mitigating the Relevant Event; or
- (p) in connection with the hedging activities in relation to the Warrants, if the cost to the Issuer or the Hedge Provider in relation to the Notes would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss, in each case following any action or inaction by the Fund, the investment advisor, investment manager or sub-manager relating to the Warrants.

### 3. **Consequences of an Extraordinary Fund Event**

Following the occurrence of an Extraordinary Fund Event, the Calculation Agent shall take the action set out in the applicable Final Terms which may include, *inter alia*, adjusting or cancelling the Warrants or substituting the affected Fund Shares.

Upon determining any such adjustment, cancellation or substitution, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

## ANNEX 9

### ADDITIONAL TERMS AND CONDITIONS FOR MARKET ACCESS WARRANTS

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

#### 1. Interim Payment Amount/Interim Coupon Amount

If so specified in the applicable Final Terms, the following provisions shall apply to the Warrants:

- (a) The Issuer will pay an amount in cash in respect of each Warrant equal to any then unpaid Interim Payment Amount or Interim Coupon Amount in accordance with this Market Access Warrant Condition 1.
- (b) The Issuer will, or will cause the Calculation Agent to (i) provide written notice to the Agent, on or prior to 10.30 a.m. Brussels or Luxembourg time (as appropriate), on the Business Day immediately succeeding the date any Applicable Cash Dividend Amount or any Applicable Cash Coupon Amount, or any Applicable Cash Distribution Amount, as applicable, is received by a Qualified Investor entitled to receive it, of the Interim Payment Amount or the Interim Coupon Amount to be paid with respect to each Warrant in relation thereto, and (ii) pay such Interim Payment Amount or the Interim Coupon Amount to the Agent in time for payment to the Holders on the Interim Payment Date or the Interim Coupon Date, as applicable.
- (c) Payment of an Interim Payment Amount or an Interim Coupon Amount shall be made to the Holder on the applicable Interim Payment Date or Interim Coupon Date. If the Share Company or the Basket Company or the Security Issuer, as applicable, fails to deliver to a Qualified Investor entitled to receive it any Applicable Cash Dividend Amount or any Applicable Cash Coupon Amount or any Applicable Cash Distribution Amount, as applicable, before the 120th day after the earliest of any Actual Exercise Date and the Expiration Date (the **Applicable Cash Dividend Failure Date** or **Applicable Cash Coupon Failure Date** or **Applicable Cash Distribution Failure Date**), the Holders will receive no payment in respect of any such unpaid Applicable Cash Dividend Amount or Applicable Cash Coupon Amount or any Applicable Cash Distribution Amount, and the Issuer will, or will cause the Calculation Agent to, provide written notice to the Agent promptly after such Applicable Cash Dividend Failure Date or the Applicable Cash Coupon Failure Date or the Applicable Cash Distribution Failure Date.
- (d) The Calculation Agent will determine the Interim Payment Amount or the Interim Coupon Amount, if any, of the Warrants in its discretion acting in good faith and in a commercially reasonable manner.
- (e) Definitions relating to Interim Payment Amount/Interim Coupon Amount

Unless otherwise specified in the applicable Final Terms:

**Applicable Cash Coupon Amount** shall mean the net cash coupon on one Debt Security, paid to a Qualified Investor entitled to receive it in respect of any single declaration of cash interests, expressed in the Settlement Currency as determined by the Calculation Agent, the Coupon Payment Dates for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the earliest of any Actual Exercise Date and the Expiration Date in respect of Warrants held through Euroclear and/or Clearstream, Luxembourg;

**Applicable Cash Distribution Amount** shall mean the (a) net cash distribution or (b) net sale proceeds of any property in respect of one Share, paid to a Qualified Investor entitled to receive it in respect of any single cash distribution or sale, expressed in the Settlement Currency as determined by the Calculation Agent, the record or effective date for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the earliest of any Actual Exercise Date and the Expiration Date in respect of Warrants held through Euroclear and/or Clearstream, Luxembourg;

**Applicable Cash Dividend Amount** shall mean the net cash dividend on one Share, paid to a Qualified Investor entitled to receive it in respect of any single declaration of cash dividends, expressed in the Settlement Currency as determined by the Calculation Agent, the ex-dividend date for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the earliest of any Actual Exercise Date and the Expiration Date in respect of Warrants held through Euroclear and/or Clearstream, Luxembourg;

**Coupon Payment Dates** means the dates falling after the Issue Date on which the Security Issuer is scheduled to pay interest on the Debt Securities, which is specified in the Final Terms;

**Debt Securities Amount** means, subject to adjustment in accordance with Annex 4, the number of underlying Debt Securities per Security as specified in the Final Terms;

**Interim Coupon Amount** shall mean an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Coupon Amount and (b) the Debt Securities Amount applicable on the relevant Coupon Payment Date (net of any and all withholding taxes based upon the maximum statutory rates (or any other rate specified in the Final Terms) applicable to a Qualified Investor in connection with the receipt of such interest);

**Interim Coupon Date** means the fifth Business Day following the date the relevant Applicable Cash Coupon Amount is received by a Qualified Investor entitled to receive it;

**Interim Payment Amount** shall mean an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Dividend Amount or any Applicable Cash Distribution Amount, as applicable, and (b) the Share Amount applicable on the relevant ex-dividend date (or in the case of GDR Warrants, the Share Amount applicable on the relevant record date in respect of the Shares (net of any and all withholding taxes based upon the maximum statutory rates (or any other rate specified in the Final Terms) applicable to a Qualified Investor in connection with the receipt of such dividends or distributions);

**Interim Payment Date** means the fifth Business Day following the date the relevant Applicable Cash Dividend Amount or Applicable Cash Distribution Amount, as applicable, is received by a Qualified Investor entitled to receive it; and

**Share Amount** shall mean, subject to adjustment in accordance with Annex 2, the number of underlying Shares per Warrant as specified in the Final Terms.

## 2. Potential Adjustment Event

If so specified in the applicable Final Terms, Share Warrant Condition 3 shall be amended by the addition of the following at the end of the penultimate paragraph:

Any adjustment to the terms of the Warrants following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Issuer or any of their relevant affiliates or a Qualified Investor charged on subscription, acquisition or receipt (sale or disposal) of any Shares or other securities received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Calculation Agent in good faith. In respect of an event as set out in paragraph (h) of the definition of Potential Adjustment Event (as amended by GDR Warrant Condition 2), in lieu of making any adjustment to the terms of the Warrants, the Issuer or a Qualified Investor may exercise its discretion to sell any or all of the property a holder of the Shares should receive and pass the net sale proceeds to the Holders instead in accordance with Share Warrant Condition 8.

## 3. Stock Dividends or Stock Distributions and Rights Issues

If so specified in the Final Terms, the following provisions shall apply:

- (a) In the event that a stock dividend in respect of the Shares or dividend in the form of Shares (a **Stock Dividend**) is declared by the Share Company or the Basket Company, as applicable, during the period from and including the Issue Date to but excluding the Expiration Date, (or in the case of GDR Warrants, in the event that there has been any stock distribution (a **Stock Distribution**) in respect of the Underlying Shares the record or effective date of which falls during the period from and including the Issue Date to but excluding the Expiration Date), in lieu of making an adjustment to the Warrants, the Issuer may issue an amount of further Warrants (the **Further Warrants**) to the holder of Warrants that would receive such Stock Dividend or Stock Distribution according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Stock Dividend (or in the case of GDR Warrants relating, on the Business Day preceding the record or effective date in relation to such Stock Distribution) (if such holder of Warrant had been the buyer in such sale) to reflect the issue of the Stock Dividend or Stock Distribution (as adjusted for any withholding tax or charges) notwithstanding that such person may not be the holder of the Warrant as of the date on which the Further Warrants are issued. Further Warrants issued pursuant to this paragraph may be issued to the holders of the Warrants free of charge or at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.
- (b) In addition, in the event that a rights issue (a **Rights Issue**) in respect of the Shares is declared by the Share Company or the Basket Company during the period from and including the Issue Date to but excluding the Expiration Date, in lieu of making an adjustment to the Warrants, the Issuer may issue an amount of Further Warrants to the holder of the Warrant that would receive such Rights Issue according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Rights Issue (or in the case of GDR Warrants, on the Business Day preceding the record or effective date in relation to such Rights Issue) (if such holder of Warrant had been the buyer in such sale) to reflect the Rights Issue (as adjusted for any withholding tax or charges) notwithstanding that such person may not be the holder of the Warrant as of the date on which the Further Warrants are issued. Further Warrants issued pursuant to this paragraph may be issued to the holders of the Warrants at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.

- (c) The Issuer may issue the Further Warrants, if any, to the relevant person five Business Days following the day on which a foreign investor would have received the relevant Stock Dividends or Shares upon exercise of the Rights Issue or such later date as the Calculation Agent shall determine in its sole discretion. Any determination by the Calculation Agent in respect of the persons to whom the Further Warrants should be issued shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the holders of Warrants.
- (d) If a Holder holds more than one Warrant, the number of Warrants held by such Holder may be aggregated for the purposes of determining the number of Further Warrants to be issued to such Holder pursuant to the above.
- (e) In the event that any Further Warrants are to be issued at an issue price, no Holder will be obliged to purchase such Further Warrants but if such Further Warrants are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Holder in respect of such Stock Dividend or Rights Issue, as the case may be.
- (f) Upon the declaration of a Stock Dividend or a Rights Issue by the Share Company or the Basket Company and the election by the Issuer to issue Further Warrants, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the declaration of the Stock Dividend or the Rights Issue, the election by the Issuer to issue Further Warrants and giving details thereof.

#### 4. Issuer's option following an Additional Disruption Event

If so specified in the applicable Final Terms, the following provisions shall apply:

- (a) Issuer's Option following Additional Disruption Event

Upon the occurrence of any event that constitutes more than one of an Additional Disruption Event or a Market Disruption Event, the Calculation Agent shall have sole discretion to determine which one or more of such events it shall be deemed to constitute. The Calculation Agent shall act in good faith in making such determination.

If the Issuer decides to give notice to holders of Warrants of the occurrence of an Additional Disruption Event, it shall state in such notice whether the Warrants will be terminated (in whole or in part) pursuant to Market Access Warrant Condition 4(b) below or whether the Issuer's obligations under the Warrants will be suspended pursuant to Market Access Warrant Condition 4(c) below. If the Issuer elects to give notice to holders of Warrants of a suspension of its obligations under the Warrants pursuant to Market Access Warrant Condition 4(c) below, the Issuer shall nevertheless retain the right at all times to terminate the Warrants pursuant to Market Access Warrant Condition 4(b) below by giving notice to Holders in accordance with General Condition 11.

- (b) Termination

Upon the Issuer's election to terminate the Warrants as aforesaid (or upon expiry of the thirty (30) day period referred to in paragraph (c) below), the Issuer will, in respect of each and every Warrant terminated (the **Terminated Warrant**) cause to be paid to the holders of Warrants an amount determined to be the fair market value of the Terminated Warrant as at termination (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including the circumstances that resulted in the occurrence of the Additional Disruption Event) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements (including but not limited to selling or otherwise realising the Shares or the Debt Securities or any options or futures contracts in

relation to the Shares or the Debt Securities), all as determined by the Calculation Agent in its discretion acting in good faith and in a commercially reasonable manner. At the election of the Issuer such payment may be made in the Local Currency in the Relevant Jurisdiction, in which case the holders of Warrants will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable or unlawful for the Issuer to pay such amount in the Relevant Jurisdiction, or the relevant holders of Warrants do not establish the necessary account in the Relevant Jurisdiction, to receive payment(s) in the currency the Issuer elects, the Issuer shall not be obliged to make payment of any such amounts so affected, as applicable. Payment will be made, as the case may be, in such manner as shall be notified to the holders of Warrants in accordance with General Condition 11.

(c) Suspension

Upon the Issuer's election to suspend the Warrants, the Issuer's obligations in respect of the Warrants may be suspended up until the 10th day after such Additional Disruption Event shall cease to exist. In the event that such date shall not have arisen before the date which falls 30 days after the Expiration Date, the Warrants shall be terminated pursuant to paragraph (b) above.

(d) Conclusive Determination

All determinations made by the Issuer and/or Calculation Agent pursuant to this Market Access Warrant Condition 4 shall be conclusive and binding on the Holders and the Issuer. No holders of Warrants will be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of an Additional Disruption Event.

## 5. Regulatory Change Event

If so specified in the applicable Final Terms, the following provisions shall apply:

Upon the occurrence of a Regulatory Change Event, the Calculation Agent will (a) make the corresponding adjustment, if any, to any one or more of any Exercise Price and/or Share Amount and/or the Cash Settlement Amount and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the effect of such Regulatory Change Event and (b) determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11, stating the adjustment to any Exercise Price and/or Share Amount and/or the Cash Settlement Amount and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms and giving brief details of the Regulatory Change Event.

**Regulatory Change Event** means any event which, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, constitutes:

- (a) the adoption of, change in or change in the interpretation or administration of, any law, rule or regulation by any governmental authority, central bank or comparable agency (**governmental authority**); and/or
- (b) the compliance by the Issuer and/or any of its affiliates with any request or directive of any governmental authority (whether or not having the force of law),

and which (1) imposes, modifies, applies or eliminates any tax, reserve, special deposit, insurance assessment or any other requirement in respect of assets or deposits of the Issuer and/or any of its affiliates in respect of (i) the issue and/or exercise of the Warrants or (ii) any transaction entered into by the Issuer and/or any of its affiliates to hedge, either directly or indirectly, the obligations of the Issuer in respect of the Warrants; and/or (2) affects in any other way the cost to the Issuer and/or any of its affiliates of: (i) the issue and/or exercise of Warrants; and/or (ii) hedging, either directly or indirectly, the obligations of the Issuer in respect of the Warrants.

## 6. Early Termination Event

If so specified in the applicable Final Terms, the following provisions shall apply:

- (a) In the event that in the determination of the Calculation Agent, the Debt Securities (in whole or in part) (x) become due and repayable by reason of a default in payment, an event of default or any similar credit event of the Security Issuer, or (y) become due and repayable on a date prior to its maturity date (other than by reason of any default), or (z) become subject to conversion into underlying shares or stock (each an **Early Termination Event**), the Issuer will be entitled to:
- (i) cancel the Warrants by giving notice to the Holders in accordance with General Condition 11 and pay the Early Termination Amount to each Holder in respect of each Warrant held by him on the Early Termination Date; or
  - (ii) in relation to a redemption and/or conversion in part of the Debt Securities (a **Partial Early Termination**), require the Calculation Agent to determine whether such partial redemption and/or conversion affects the Debt Securities held by the Issuer and/or its affiliates in order to hedge the Issuer's obligations in respect of the Warrants (the **Aggregate Hedge Position**) or otherwise makes it impossible, impracticable or unduly onerous for the Issuer and/or its affiliates to hedge the Issuer's obligations in respect of the Warrants and, if so, gives notice to the Warrantholders in accordance with General Condition 11,

and:

- (A) pay the Early Termination Amount to each Warrantholder in respect of each Warrant held by him on the Early Termination Date; and/or
- (B) reduce the Debt Securities Amount by an amount equal to the Affected Portion and/or require the Calculation Agent to determine in its sole discretion the appropriate adjustment, if any, to be made to any one or more of the Settlement Price and/or any of the other terms of these Conditions and/or the Final Terms to account for such payment and determine the effective date of that adjustment.

Payments will be made in such manner as shall be notified to the Warrantholders in accordance with General Condition 11.



(b) **Definitions**

For the purposes of this Market Access Warrant Condition 6:

**Early Termination Amount** means, in respect of each Warrant, an amount calculated by the Calculation Agent equal to the arithmetic average price per Early Termination Securities Amount (net of any costs) which the Issuer or its affiliate obtains in selling or otherwise realising the Debt Securities (the **Sale Proceeds**), provided however that,

- (i) if Market Access Warrant Condition 6(a)(y) applies in respect of the Warrants, the Issuer may elect to pay, in lieu of the Sale Proceeds, the amount of principal which a Qualified Investor would have received pursuant to the terms of the Debt Securities as a result of the Early Termination Event if it held the Early Termination Securities Amount (net of any costs, including those that would have been withheld in relation to payment of such cash amount to a Qualified Investor); or
- (ii) if Market Access Warrant Condition 6(a)(z) applies in respect of the Warrants, the Issuer may elect to pay, in lieu of the Sale Proceeds, the arithmetic average price per Early Termination Securities Amount (net of any costs) which the Issuer or its affiliate obtains in selling or otherwise realising the underlying shares or stock after conversion (the **Shares**),

such resulting amount to be converted into the Settlement Currency at the Exchange Rate.

**Early Termination Date** means the date falling four Business Days after the date on which the Early Termination Amount is determined.

**Early Termination Securities Amount** means (a) in the case of Market Access Warrant Condition 6(a), the Debt Securities Amount and (b) in the case of Market Access Warrant Condition 6(a), each Warrant's *pro rata* portion (the **Affected Portion**) of the nominal amount of Debt Securities comprising the Aggregate Hedge Position affected by the Partial Early Termination, all as determined by the Calculation Agent in its sole and absolute discretion.

**7. Additional Condition**

If so specified in the applicable Final Terms, the following provisions shall apply:

The Issuer may modify or amend these Terms and Conditions of the Warrants or the applicable Final Terms without the consent of the Holders in any manner which the Issuer may deem necessary or desirable for the purpose of obtaining listing of the Warrants on the Official List of the Luxembourg Stock Exchange and admission to trading on the regulated market (Bourse de Luxembourg) of the Luxembourg Stock Exchange as promptly as practicable provided that any such modification or amendment is not materially prejudicial to the Holders.

**8. Early Exercise Event**

If so specified in the applicable Final Terms, the following provisions shall apply:

If an Early Exercise Event (as defined in the applicable Final Terms) occurs, the Issuer shall have the right to accelerate the Exercise Date or Expiration Date, as applicable, of all or some only of the outstanding Warrants by giving notice of its election and of the number of Warrants to be early exercised (the **Early Terminated Warrants**) to the holders of Warrants in accordance with General Condition 11. In the event that the Issuer decides to exercise its right to accelerate the Exercise Date

or Expiration Date, as applicable, of some only of the outstanding Warrants, the Issuer may, subject to the standard procedures of Euroclear and/or Clearstream, Luxembourg, arrange for the Early Terminated Warrants to be selected individually by lot to determine which interests in the Clearing System Global Warrant are to be subject to the exercise of such right.

For the avoidance of doubt, in such case, the Issuer will, in respect of each and every Warrant, cause to be paid to the holder of each such Warrant the Cash Settlement Amount specified in the Final Terms.

**9. Warrants linked to underlying Shares that are yet to be listed**

If so specified in the applicable Final Terms, the following provisions shall apply:

An Exercise Notice shall be deemed to have been delivered by the holders of the Warrants on the expiration of three months after the Expected Listing Date (as specified in the Final Terms), if the Shares do not become listed at the Scheduled Closing Time on the Exchange as specified in the Final Terms, on or before such date, all as determined by the Calculation Agent in its sole and absolute discretion and in a commercially reasonable manner. The Issuer will, in respect of each and every Warrant, cause to be paid to the holder of each such Warrant the Cash Settlement Amount specified in the applicable Final Terms. For the purposes of calculating the Cash Settlement Amount pursuant to this paragraph, the Settlement Price shall be equal to the Issue Price per Warrant (net of any Costs).

All determinations made by the Issuer and/or Calculation Agent pursuant to the foregoing paragraph shall be conclusive and binding on the Holders and the Issuer. No Holder will be entitled to any compensation from the Issuer for any loss suffered as a result of the Shares not becoming listed on the Exchange at the Scheduled Closing Time on or before the expiration of three months after the Expected Listing Date.

## TERMS AND CONDITIONS OF THE CERTIFICATES

The Terms and Conditions of the Certificates set out on page 171 of the Base Prospectus shall be deleted in its entirety and replaced by the following:

*The following is the text of the Terms and Conditions of the Certificates which will include the additional terms and conditions contained in Annex 1 in the case of Index Certificates, the additional terms and conditions contained in Annex 2 in the case of Share Certificates, the additional terms and conditions contained in Annex 3 in the case of GDR Certificates, the additional terms and conditions contained in Annex 4 in the case of Debt Certificates, the additional terms and conditions contained in Annex 5 in the case of Commodity Certificates, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Certificates, the additional terms and conditions contained in Annex 7 in the case of Currency Certificates, the additional terms and conditions contained in Annex 8 in the case of Fund Certificates, the additional terms and conditions contained in Annex 9 in the case of Market Access Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time in the case of any other certificate linked to any other underlying reference (the Terms and Conditions or the Conditions) which, in the case of English Law Certificates (as defined in Condition 4), will be incorporated by reference into each Global Certificate or Private Placement Definitive Certificate (each as defined below) or in the case of Dematerialised Italian Certificates (as defined below) will apply to such Certificates. The applicable Final Terms in relation to any issue of Certificates may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Certificates. In the case of English Law Certificates (other than VPC Certificates or Dematerialised Italian Certificates), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Certificate or Private Placement Definitive Certificate. In the case of VPC Certificates and Dematerialised Italian Certificates, the applicable Final Terms in respect of such Certificates will be available at the specified office of the relevant Issuer and at the office of the VPC Certificate Agent or Italian Certificate Agent, as applicable, in each case specified in the applicable Final Terms.*

The series of Certificates described in the applicable Final Terms (in so far as it relates to such series of Certificates) (such Certificates being hereinafter referred to as the **Certificates**) are issued by whichever of BNP Paribas Arbitrage Issuance B.V. (**BNPP B.V.**) or BNP Paribas (**BNPP**) is specified as the Issuer in the applicable Final Terms (as defined below) (the **Issuer**) and references to the Issuer shall be construed accordingly. Rule 144A Certificates and Private Placement Definitive Certificates (each, as defined below) may be issued by BNPP only. The Certificates are issued pursuant to an Agency Agreement dated 30 May 2007 as supplemented by the First Supplemental Agency Agreement dated 3 October 2007, the Second Supplemental Agreement dated 21 November 2007, the Third Supplemental Agreement dated 2 January 2008 and the Fourth Supplemental Agency Agreement dated 8 January 2008 (as further amended and/or supplemented from time to time, the **Agency Agreement**) between BNPP B.V. as issuer, BNPP as issuer and, where the Issuer is BNPP B.V., as guarantor (in such capacity, the **Guarantor**), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as Agent in respect of the Certificates, the **Principal Certificate Agent**, BNP Paribas Arbitrage SNC as agent (if specified in the applicable Final Terms as Agent in respect of the Certificates, the **Principal Certificate Agent**), The Bank of New York as New York certificate agent (the **New York Certificate Agent**), The Bank of New York as definitive certificate agent (the **Definitive Certificate Agent**), BNP Paribas Securities Services, Milan Branch as Italian Certificate Agent (the **Italian Certificate Agent**) (each, a **Certificate Agent** and collectively, the **Certificate Agents**), BNP Paribas Securities Services S.A. Frankfurt Branch and BNP PARIBAS Securities (Japan) Limited as registrar as supplemented in the case of VPC Certificates (as defined below) by an issuing and paying agency agreement dated 11 July 2007 (as amended and/or supplemented from time to time, the **VPC Agency Agreement**) between BNPP B.V. and Svenska Handelsbanken AB (publ) as VPC certificate agent (the **VPC Certificate Agent**). The expression "Certificate Agent" shall include in respect of VPC Certificates the VPC Certificate Agent and shall include

any additional or successor certificate agent in respect of the Certificates. BNP Paribas or BNP Paribas Arbitrage SNC (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the **Calculation Agent**) in respect of the Certificates as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Certificates, include such other specified calculation agent. The Agency Agreement will be governed by English Law in the case of English Law Certificates (the **English Law Agency Agreement**), by French Law in the case of French Law Certificates (as defined in Condition 4 below) (the **French Law Agency Agreement**). The VPC Agency Agreement will be governed by Swedish Law.

English Law Certificates (as defined in Condition 4 below) other than VPC Certificates and Dematerialised Italian Certificates are constituted by an English Law clearing system global certificate (each, a **Global Certificate**), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued. English Law Certificates that are VPC Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (*Sw.: Lag (1998:1479) om kontoföring av finansiella instrument*) (the **SFIA Act**). VPC Certificates will not be issued in definitive form. Copies of the VPC Agency Agreement and the English Law Guarantee will be available for inspection at the office of the VPC Certificate Agent specified in the applicable Final Terms.

English law Certificates that are Dematerialised Italian Certificates (as defined below) will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. (**Monte Titoli**) pursuant to Italian legislative decree no. 213/1998 as amended and implemented by subsequent implementing provisions. Dematerialised Italian Certificates will not be issued in definitive form.

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

In the event that the Certificates are constituted by a Global Certificate, the Global Certificate will be issued and deposited with (i) a common depository (the **Common Depository**) on behalf of Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. (**Euroclear**) and/or any other relevant Clearing System (as defined below) or (ii) in the case of Certificates to be issued and cleared through Monte Titoli, including Dematerialised Italian Certificates, Monte Titoli.

Certificates represented by a Rule 144A Global Certificate will be either (i) deposited with a custodian (a **Custodian**) for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**), or (ii) issued and deposited with the Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System. Certificates represented by a Regulation S Global Certificate will be issued and deposited with the Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificate only as described herein. Interests in a Global Certificate may be exchanged for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Global Certificate only as described herein.

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

French Law Certificates (as defined in Condition 4 below) are issued in dematerialised form (*au porteur*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of French Law Certificates.

The applicable Final Terms supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Certificates. Except in the case of French Law Certificates, VPC Certificates and Dematerialised Italian Certificates, the applicable Final Terms for the Certificates is attached to each Global Certificate and each Private Placement Definitive Certificate.

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

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

Copies of the Agency Agreement and the Guarantees will be available for inspection at the specified office of BNP Paribas Securities Services, Luxembourg Branch, and copies of the applicable Final Terms may be obtained from the specified office of the relevant Certificate Agent, save that if the Certificates are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Certificate Agent as to identity.

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

The Holders (as defined in Condition 1.2) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the Certificates) and the applicable Final Terms, which are binding on them.

## 1. TYPE, TITLE AND TRANSFER

### 1.1 Type

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

The applicable Final Terms will indicate whether settlement shall be by way of cash payment (**Cash Settled Certificates**) or physical delivery (**Physical Delivery Certificates**), whether Cash Settled Certificates are redeemable in instalments and whether Averaging (**Averaging**) will apply to the Certificates. If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 4 below) applies. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates. If the Certificates are VPC Certificates, they will be Cash Settled Certificates. If the Certificates are Dematerialised Italian Certificates, they will be Cash Settled Certificates and Automatic Exercise will apply.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Certificates shall be deemed to include references to (a) Physical Delivery Certificates which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Certificate pursuant to Condition 7.3(a) and where settlement is to be by way of cash payment, and (b) Physical Delivery Certificates where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 7.3(b). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Certificates shall be deemed to include references to Cash Settled Certificates which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Certificate pursuant to Condition 7.3(a) and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, BNPP does not have the option to vary settlement in respect of the U.S. Certificates pursuant to Condition 7.3(a).

Certificates may, if specified in the applicable Final Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Certificates where the Holder has elected for cash payment will be Cash Settled Certificates and those Certificates where the Holder has elected for physical delivery will be Physical Delivery Certificates. The rights of a Holder as described in this

paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms and will be subject to the Issuer's right to substitute assets or pay the Alternate Cash Amount (as defined below) in lieu of physical delivery in accordance with these Conditions.

## 1.2 Title to Certificates

In the case of Certificates represented by a Global Certificate held by a Common Depository on behalf of a relevant Clearing System or held by a relevant Clearing System and French Law Certificates, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Certificates that are not VPC Certificates) or whose name appears in the account of the relevant Account Holder (in the case of French Law Certificates) as the holder of a particular amount of Certificates (in which regard any certificate or other document issued by the relevant Clearing System or, as the case may be, Account Holder as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by law) be treated by the Issuer, the Guarantor, if any, and the relevant Certificate Agent as the Holder of such amount of Certificates for all purposes (and the expressions **Holder** and **Holder of Certificates** and related expressions shall be construed accordingly).

In the case of VPC Certificates, the person for the time being shown in the VPC Register as the holder of a particular amount of Certificates shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Certificate Agents, VPC and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions **Holder** and **Holder of Certificates** and related expressions shall be construed accordingly). The Issuer shall cause such Certificates to be accepted by VPC for clearing and registration in the VPC System in accordance with the SFIA Act and VPC Rules. The Issuer shall have the right to obtain extracts from the debt register of VPC.

In the case of Dematerialised Italian Certificates, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Certificates (in which regard any certificate or other document issued by Monte Titoli as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Certificate Agents and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions **Holder** and **Holder of Certificates** and related expressions shall be construed accordingly). The Issuer shall cause Dematerialised Italian Certificates to be dematerialised and centralised with Monte Titoli, pursuant to Italian legislative decree no. 213/1998 as amended and integrated and subsequent implementing provisions.

Title to French Law Certificates will be evidenced in accordance with Article L.211-4 of the French Code monétaire et financier by book-entries (*inscription en compte*). No document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code Monétaire et Financier*) will be issued in respect of such Certificates. Certificates will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

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

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the Rule 144A Global Certificate will be registered in the name of Cede & Co., as

nominee of DTC, but this does not confer any rights or benefits on Cede & Co. or any other nominee of DTC in whose name a Rule 144A Global Certificate may be registered. Transfers of such Rule 144A Global Certificate by such nominee of DTC shall be limited to transfers of such Global Certificate, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. Rights conferred by the Rule 144A Global Certificate are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 1.3 below, each person who is for the time being shown in the records of DTC as the Holder of a particular amount of Certificates shall (except as otherwise required by law) be treated by the Issuer and the New York Certificate Agent as the Holder of such amount of Certificates for all purposes (and the expressions "Holder" and "Holder of Certificates" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Certificates, BNPP shall cause to be kept at the principal office of the Definitive Certificate Agent, a register (the **Private Placement Register**) on which shall be entered the names and addresses of all holders of Private Placement Definitive Certificates, the amount and type of Private Placement Definitive Certificates held by them and details of all transfers of Private Placement Definitive Certificates. Subject as set forth in Condition 1.3 below, the persons shown in the Private Placement Register (each a **Holder**) shall (except as otherwise required by law) be treated as the absolute owners of the relevant Private Placement Definitive Certificates for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

### **1.3 Transfers of Interests in Global Certificates**

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 6.

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

Any reference herein to Clearstream, Luxembourg and/or Euroclear and/or DTC and/or Monte Titoli and/or any other relevant Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Certificate Agent from time to time and notified to the Holders in accordance with Condition 11.

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

- (a) Transfers of Certificates to a person who takes delivery in the form of Certificates represented by a Global Certificate may be made only in accordance with the following provisions:



- (i)
  - (A) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Certificates represented by a Regulation S Global Certificate, to a non-U.S. person in an offshore transaction pursuant to Regulation S;
  - (B) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Certificates represented by a Regulation S Global Certificate, within the Distribution Compliance Period (as defined below) only, upon certification (in the form from time to time available from any Certificate Agent) to the New York Certificate Agent by the transferor thereof that such transfer is being made to a person who is a QIB acquiring such Certificates in a transaction meeting the requirements of Rule 144A and, after the expiration of the Distribution Compliance Period, in a transaction meeting the requirements of Rule 144A but without such certification;
  - (C) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Private Placement Definitive Certificates upon certification (in the form from time to time available from any Certificate Agent) to the Principal Certificate Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S;
  - (D) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Private Placement Definitive Certificates upon certification (in the form from time to time available from any Certificate Agent) to the New York Certificate Agent by the transferor thereof that such transfer is being made to a person who is a QIB acquiring such Certificates in a transaction meeting the requirements of Rule 144A;
  - (E) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a Holder of Certificates represented by a Rule 144A Global Certificate, in a transaction meeting the requirements of Rule 144A;
  - (F) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a Holder of Certificates represented by a Rule 144A Global Certificate upon certification (in the form from time to time available from any Certificate Agent) to the Principal Certificate Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S; and
  - (G) in each case, in accordance with any applicable rules and regulations of the Principal Certificate Agent, the New York Certificate Agent, the Definitive Certificate Agent, the relevant Clearing System and/or as specified in the applicable Final Terms.
- (ii) The Holder must send:
  - (A) in the case of transfers of Private Placement Definitive Certificates, a free of payment instruction to the Definitive Certificate Agent, not later than

5.00 p.m., New York City time, at least two Business Days in New York prior to the date on which the transfer is to take effect;

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

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

(iii) On the transfer date:

- (A) in the case of transfers of Certificates represented by a Global Certificate, the relevant Clearing System will debit the account of its participant and (y) in the case of transfers of Private Placement Definitive Certificates, the Holder must deliver the Private Placement Definitive Certificates the subject of the transfer to the Definitive Certificate Agent and instruct the Definitive Certificate Agent to cancel the transferred Private Placement Definitive Certificates; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct (x) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Global Certificate held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Certificate Agent to instruct the relevant Clearing System to credit the relevant account of the relevant Clearing System participant, and (y) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, (1) the New York Certificate Agent (in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (2) the Definitive Certificate Agent (in the case of transfers of Private Placement Definitive Certificates) to credit the relevant account of the DTC participant, or (3) the Principal Certificate Agent (in the case of transfers of Certificates represented by a Global Certificate held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) to instruct DTC to credit the relevant account of Clearstream, Luxembourg or Euroclear at DTC and/or any other relevant Clearing System and thereafter DTC will debit such account of Clearstream, Luxembourg or Euroclear and/or an other relevant Clearing System, as the case may be, and will credit the relevant account of the DTC participant.

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

York Certificate Agent, the Definitive Certificate Agent, the relevant Clearing System and/or as specified in the applicable Final Terms.

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

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

- (iii) On the transfer date:
  - (A) in the case of transfers of Certificates represented by a Global Certificate, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Certificates, the Holder must deliver the Private Placement Definitive Certificates the subject of the transfer to the Definitive Certificate Agent and instruct the Definitive Certificate Agent to cancel the transferred Private Placement Definitive Certificates; and
  - (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Certificate Agent to deliver or procure the delivery of new Private Placement Definitive Certificates, of a like number to the number of Certificates transferred, to the transferee at its specified office or send such new Private Placement Definitive Certificates, by uninsured mail, at the risk of the transferee, to such address as the transferee may request.
- (iv) Upon any such transfer, on the transfer date:
  - (A) the Principal Certificate Agent will, in the case of transfers of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Certificates represented by such Global Certificate, if appropriate, whereupon the number of Certificates represented by such Global Certificate shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or

- (B) the New York Certificate Agent will, in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, decrease the number of Certificates represented by such Rule 144A Global Certificate, if appropriate, whereupon the number of Certificates represented by such Rule 144A Global Certificate shall, if appropriate, be reduced for all purposes by the number so transferred and endorsed.
- (c) In the case of transfers of Certificates to a person who takes delivery in the form of a Private Placement Definitive Certificate, the delivery of a duly executed investor representation letter in the form set out in the Agency Agreement (an **Investor Representation Letter**) from the relevant transferee to the Definitive Certificate Agent is a condition precedent to the transfer of such Private Placement Definitive Certificate or any beneficial interests therein. The Investor Representation Letter must be duly executed by such proposed transferee or such proposed transferee's attorney duly authorised in writing, at least three Business Days in New York prior to the date the transfer of such Private Placement Definitive Certificate is desired. Any attempted transfer in which the Investor Representation Letter and the proposed transfer was not effected in accordance with the foregoing procedures shall not be valid or binding on BNPP.

If (i) the Principal Certificate Agent (in relation to Global Certificates held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Certificate Agent (in relation to Rule 144A Global Certificates held by a Custodian on behalf of DTC) or (iii) the Definitive Certificate Agent (in relation to Private Placement Definitive Certificates) subsequently determines or is subsequently notified by BNPP that (i) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Certificate was consummated in compliance with the provisions of this paragraph on the basis of an incorrect form or certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, or (ii) the Holder of any interest in any Certificate was in breach, at the time given, of any representation or agreement given by such Holder (including, but not limited to, in the case of Private Placement Definitive Certificates, any such representation or agreement set forth in the relevant Investor Representation Letter) or (iii) a transfer or attempted transfer of any interest in any Certificate was consummated that did not comply with the transfer restrictions set forth in this Condition 1.3, the purported transfer shall be absolutely null and void ab initio and shall vest no rights in the purported transferee (such purported transferee, a **Disqualified Transferee**) and the last preceding Holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Holder thereof retroactively to the date of transfer of such interest by such Holder.

- (d) Transfer of VPC Certificates

Title to VPC Certificates will pass upon entry in the VPC Register (or, if applicable, notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

- (e) Transfer of Dematerialised Italian Certificates

Title to Dematerialised Italian Certificates will pass upon registration of the transfer in the records of Monte Titoli.

## 2. STATUS OF THE CERTIFICATES AND GUARANTEE

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

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

### 3. GUARANTEE

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Certificates as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Certificates as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant to clause 11 thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Certificates in accordance with Condition 7.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Certificates, but in lieu thereof, to make payment in respect of each such Physical Delivery Certificate of an amount calculated by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon redemption of such Certificates assuming they were Cash Settled Certificates calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Certificate less the costs of unwinding any underlying related hedging arrangements (the **Guaranteed Cash Settlement Amount**) and (ii) in the case of Certificates where the obligations of the Issuer which fail to be satisfied by BNPP constitute the delivery of the Entitlement to the Holders, the BNPP B.V. Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Certificates deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 7.2(e)) or (y) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 16(a), in lieu of such delivery BNPP will make payment in respect of each such Certificate of, in the case of (x) above, the Guaranteed Cash Settlement Amount or in the case of (y) above, the Failure to Deliver Settlement Price (as defined in Condition 16(c)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Certificate shall constitute a complete discharge of BNPP's obligations in respect of such Certificate. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

### 4. DEFINITIONS

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

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

**Averaging Date** means:

- (a) in the case of Index Certificates, Share Certificates, Debt Certificates or Currency Certificates, each date specified as an Averaging Date in the applicable Final Terms or, if

any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

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

- (C) where the Certificates are Debt Certificates or Currency Certificates provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or
- (b) in the case of Commodity Certificates, each date specified as such in the applicable Final Terms;

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

**Cash Settlement Amount** means, in relation to Cash Settled Certificates, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms;

**Chinese QFII** means an entity outside the People's Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (**Qualified Foreign Institutional Investors**) where **Measures** means the provisional measures regarding the regulation of Qualified Foreign Institutional Investor's investing in domestic securities;

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

**Dematerialised Italian Certificates** means Exercisable Certificates issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 213/1998 as amended and integrated by subsequent implementing provisions;

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

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

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

**Entitlement** means, in relation to a Physical Delivery Certificate, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses



as defined in Condition 12) rounded down as provided in Condition 7.2(d), as determined by the Calculation Agent including any documents evidencing such Entitlement;

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

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

**Guarantee** means the English Law Guarantee or the French Law Guarantee, as the case may be;

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

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

**Italian Listed Certificates** means Exercisable Certificates which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the **SeDeX**), organised and managed by Borsa Italiana S.p.A.;

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

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

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

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

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

**Relevant Jurisdiction** means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts or the Debt Securities are issued (or in which the Share Company or Basket Company, as the case may be, is incorporated) or the Index is based, as specified in the applicable Final Terms;

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

**Scheduled Valuation Date** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

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

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

**Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not or is deemed not to occur;

**Valuation Date** means

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

relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms which, in the case of a Share or Debt Security, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (x) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (y) in the case of a Share or Debt Security, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

and otherwise in accordance with the above provisions;

- (b) in the case of Commodity Certificates, the date specified in the applicable Final Terms;

**Valuation Time** means:

- (a) the Relevant Time specified in the applicable Final Terms;
- (b) in the case of Index Certificates relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (b) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) in the case of Index Certificates relating to Indices other than Composite Indices or Share Certificates, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;

**Vietnamese QI** means a corporation that both (a) is incorporated outside Vietnam and (b) does not have any permanent establishment in Vietnam;

**VPC** means VPC AB (the Swedish Central Securities Depository authorised as such under the SFIA Act);

**VPC Register** means the register opened in the VPC System for VPC Certificates issued or to be issued by the Issuer;

**VPC System** means the technical system at VPC for the registration of securities and the clearing and settlement of securities transactions; and

**VPC Certificates** means Certificates in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by VPC for clearing and registration in the VPC System.

## 5. INTEREST

### 5.1 Interest Amount

If so specified in the applicable Final Terms, each Certificate pays interest from and including the Interest Commencement Date of the Certificates at the Interest Rate payable in arrear on each Interest Payment Date.

The amount of interest payable in respect of each Certificate on each Interest Payment Date will amount to the Interest Amount (as defined below) for the Interest Period (as defined below) ending on (but excluding) such Interest Payment Date.

If interest is required to be calculated for a period ending other than on (but excluding) an Interest Payment Date, it will be calculated on the basis of the number of days from and including the most recent Interest Payment Date (or, if none, the issue date of the Certificates) to but excluding the relevant payment date, and the relevant interest rate day count fraction as specified in the applicable Final Terms (the **Interest Rate Day Count Fraction**).

Such Interest Rate and/or Interest Amount may be a fixed nominal (**Fixed Interest Certificates**) or floating (**Floating Rate Certificates**) interest rate or it may be determined by reference to (**Interest Indexed Certificates**), and the application of such Interest Rate and/or the payment of such Interest Amount may be limited or affected by, the performance of an Index, a Share, a Debt Security, a Commodity, an Inflation Index, a Fund Share or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms and, for avoidance of doubt, the provisions in these Terms and Conditions relating to such Index, Share, Debt Security, Commodity, Inflation Index, Fund Share or other underlying security shall apply *mutatis mutandis* in the manner specified in the applicable Final Terms.

### 5.2 Accrual of Interest

Unless otherwise provided in the applicable Final Terms, each Certificate will cease to accrue interest from and including its due date for redemption unless payment of the amount and/or delivery of any Entitlement due on redemption is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case interest shall continue to accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be. For the avoidance of doubt, no interest on the Certificates shall accrue beyond the Redemption Date (as defined below) in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event.

### 5.3 Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date

shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (a) such date shall be brought forward to the immediately preceding Interest Business Day and (b) each subsequent such date shall be the last Interest Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is an Interest Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is an Interest Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Interest Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Interest Business Day.

#### 5.4 Interest Rate on Floating Rate Certificates

The Interest Rate in respect of Floating Rate Certificates for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and, except as otherwise specified in the relevant Final Terms, the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(a) ISDA Determination for Floating Rate Certificates:

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (x), **ISDA Rate** for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the applicable Final Terms.

For the purposes of this subparagraph (x), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity, Reset Date** and **Swap Transaction** have the meanings given to those terms in the ISDA Definitions.

(b) Screen Rate Determination for Floating Rate Certificates:

Where Screen Rate Determination is specified in the applicable final terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (i) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Interest Rate shall be:
  - (A) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or

- (B) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date;
- (ii) if the Page specified in the relevant Final Terms as a Primary Source permanently ceases to quote the Relevant Rate(s) but such quotation(s) is/are available from another page, section or other part of such information service selected by the Calculation Agent (the **Replacement Page**), the Replacement Page shall be substituted as the Primary Source for Interest Rate quotations and if no Replacement Page exists but such quotation(s) is/are available from a page, section or other part of a different information service selected by the Calculation Agent (the **Secondary Replacement Page**), the Secondary Replacement Page shall be substituted as the Primary Source for Interest Rate quotations;
- (iii) if the Primary Source for the Floating Rate is Reference Banks or if subparagraph (i)(A) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if subparagraph (i)(B) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- (iv) if paragraph (iii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates then, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Relevant Currency is euro, the Euro-zone, (the **Principal Financial Centre**) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall (unless otherwise specified) be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (c) Margin, Maximum/Minimum Interest Rates, Rate Multipliers and Rounding:

If any Margin or Rate Multiplier is specified (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (iii) below by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

If any Maximum or Minimum Interest Rate is specified hereon, then any Interest Rate, shall be subject to such maximum or minimum, as the case may be.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes **unit** means the lowest amount of such currency which is available as legal tender in the country or countries of such currency and with respect to the euro, means 0.01 euro.

## **5.5 Calculations**

The amount of interest payable in respect of any Certificate for any period shall be calculated by multiplying the product of the Interest Rate and the Notional Calculation Amount in respect of such Certificate as of the last day of such period (or in the case of Partly Paid Certificates, the amount paid up) by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Certificate for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

## **5.6 Determination and Publication of Interest Rates and Interest Amounts**

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to obtain any quote or make any determination or calculation, it shall determine the Interest Rate and calculate the relevant Interest Amount in respect of each Certificate for the relevant Interest Accrual Period, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Agent and the Issuer, the Certificateholders, and, if the Certificates are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such stock exchange of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5.2, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

## **5.7 Interest on Partly Paid Certificates**

In the case of Partly Paid Certificates interest will be paid on such Certificates as aforesaid on the amount paid up in respect of such Certificates and otherwise as specified in the applicable Final Terms.

## **5.8 Definitions**

Unless otherwise provided in the applicable Final Terms:

**Benchmark** has the meaning given it in the applicable Final Terms.

**Day Count Fraction** means, in respect of the calculation of an amount of interest on any Certificate for any period of time (from, and including, the first day of such period to, but excluding the last) (whether or not constituting an Interest Period, the **Calculation Period**):

- (a) if **Actual/365** or **Actual/Actual-ISDA** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **Actual/Actual-ISMA** is specified in the applicable Final Terms;
- (c) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (d) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Periods normally ending in any year,

where

**Determination Period** means the period from, and including, a Determination Date in any year to, but excluding, the next Determination Date; and

**Determination Date** means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

if **Actual/360** is specified in the applicable final terms, the actual number of days in the Calculation Period divided by 360;

if **30/360, 360/360** or **Bond Basis** is specified in the applicable final terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

if **30E/360** or **Eurobond Basis** is specified in the applicable final terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the



Calculation Period unless, in the case of a Calculation Period ending on the Redemption Date, the Redemption Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**Effective Date** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

**Euro-zone** means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

**Interest Accrual Period** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**Interest Amount** means the amount of interest payable.

**Interest Business Day** means:

- (a) a Business Day; and
- (b) in the case of a Relevant Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; or
- (c) in the case of euro, a day on which the TARGET System is operating (a **TARGET Business Day**).

**Interest Commencement Date** means the Issue Date or such other date as may be specified in the applicable Final Terms.

**Interest Determination Date** means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Relevant Currency is Sterling or (ii) the day falling two Business Days in London for the Relevant Currency prior to the first day of such Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

**Interest Payment Date** means, in respect of each Certificate, the dates specified as such in the applicable Final Terms.

**Interest Period** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**Interest Period Date** means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

**Interest Rate** means the rate of interest payable from time to time in respect of the Certificates and that is either specified or calculated in accordance with the provisions in the applicable final terms.

**ISDA Definitions** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable final terms.

**Notional Calculation Amount** means, from time to time, the Notional Amount of the relevant Certificate less, in the case of Instalment Certificates, any Instalment Amounts paid prior to such time.

**Page** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (**Reuters**) and Telerate) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

**Reference Banks** means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone).

**Relevant Currency** means the currency specified as such in the applicable final terms or, if none is specified, the currency in which the Certificates are denominated.

**Relevant Financial Centre** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the applicable final terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the euro-zone) or, if none is so connected, London.

**Relevant Rate** means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

**Relevant Time** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the applicable final terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and for the purpose of this definition, **local time** means, with respect to Europe and the euro-zone as a Relevant Financial Centre, Brussels time.

**Representative Amount** means, with respect to any Floating Rate to be determined on an Interest Determination Date, an amount that is representative for a single transaction in the relevant market at the time.

**Specified Duration** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the applicable Final Terms or, if none is specified, a period of time equal to the relevant Interest Accrual Period, ignoring any adjustment pursuant to Condition 5.2.

**TARGET System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

## 6. REDEMPTION AND EXERCISE OF CERTIFICATES

### 6.1 General

Unless the Certificates are Exercisable Certificates, subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate will be redeemed by the Issuer:

- (a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (b) in the case of a Physical Delivery Certificate, subject as provided in Condition 7 below, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, as specified in the applicable Final Terms relating to such Certificate (the **Redemption Date**). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 7.2(e) below), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Annex 1 (Additional Terms and Conditions for Index Certificates), Annex 2 (Additional Terms and Conditions for Share Certificates) and Annex 5 (Additional Terms and Conditions for Commodity Certificates) as specified in the applicable Final Terms.

### 6.2 Issuer Call Option

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given:

- (a) except in the case of Certificates represented by Private Placement Definitive Certificates and Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 11 and, in the case of Certificates represented by Private Placement Definitive Certificates and Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, not less than 30 nor more than 45 days' notice to the Holders in accordance with Condition 11; and
- (b) not less than 15 days before the giving of the notice referred to in (i), notice to the relevant Certificate Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Certificates then outstanding on any date fixed for redemption as specified in the applicable Final Terms (an **Optional Redemption Date**) and at an amount specified in, or determined in the manner specified in, the applicable Final Terms (the **Optional Redemption Amount**) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate, or Holders of Dematerialised Italian Certificates or VPC Certificates will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, DTC, Monte Titoli, VPC, as applicable, or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement

Definitive Certificates, the Definitive Certificate Agent will select the Certificates to be redeemed individually by lot, not more than 45 days prior to the date fixed for redemption, and give notice to Holders, in accordance with Condition 11, of the serial numbers of the Certificates to be redeemed not less than 15 days prior to the date fixed for redemption. Private Placement Definitive Certificates may only be redeemed in minimum amounts of U.S.\$250,000 or more, and the remaining unredeemed portion thereof must be at least U.S.\$250,000. So long as the Certificates are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Certificates, cause to be published on the website of the Luxembourg Stock Exchange ("www.bourse.lu") a notice specifying the aggregate nominal amount of Certificates outstanding.

### **6.3 Holder Put Option**

If Holder Put Option is specified in the applicable Final Terms, upon the Holder of any Certificate giving to the Issuer not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as defined in the applicable Final Terms).

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Holder of the Certificate must deliver at the specified office of any Certificate Agent at any time during normal business hours of such Registrar or Certificate Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Certificate Agent (a **Put Notice**) and in which the Holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.3, accompanied by the Certificate or evidence satisfactory to the Certificate Agent concerned that the Certificate will, following delivery of the Put Notice, be held to its order or under its control in a manner reasonably satisfactory to the Certificate Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg, Monte Titoli, VPC and/or any other relevant Clearing System, to exercise the right to require redemption of the Certificate the Holder of the Certificate must, within the notice period, give notice to the Certificate Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, Monte Titoli, VPC and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, Monte Titoli, VPC and/or any other relevant Clearing System or any common depository for them to the Certificate Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg, Monte Titoli, VPC and/or any other relevant Clearing System from time to time and, if the Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the relevant Certificate Agent for notation accordingly. Any Put Notice given by a Holder of any Certificate pursuant to this Condition shall be irrevocable.

### **6.4 Redemption in Instalments**

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

## 6.5 Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

## 6.6 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 Italian Certificate Agent with a copy thereof to the Issuer. 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 Italian Certificate Agent (in consultation with Monte Titoli) 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 shall be null and void. If such Renunciation Notice is subsequently corrected to the satisfaction of the Italian Certificate Agent, it shall be deemed to be a new Renunciation Notice submitted at the time such correction was delivered to the Italian Certificate Agent.

# 7. PAYMENTS AND PHYSICAL DELIVERY

## 7.1 Payments

Except in the case of VPC Certificates and subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Certificate Agent, as the case may be, (in the case of English Law Certificates other than VPC Certificates) or with the relevant Account Holder (in the case of French Law Certificates) for value on the Redemption Date (or in the case of Instalment Certificates, on the relevant Instalment Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Certificate Agent, as the case may be or Account Holder.

Except in the case of VPC Certificates and where the Certificates pay interest, subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Holder's account with the relevant Clearing System or in the case of Private Placement Definitive Certificates, the office of the Definitive Certificate Agent, as the case may be, for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of such Clearing System or the Definitive Certificate Agent, as the case may be.

Except in the case of VPC Certificates, the Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Certificate Agent, as the case may be, or, as the case may be, the relevant Account Holder, in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System or the Definitive Certificate Agent, as the case may be, (in the case of English Law Certificates) or whose name appears in the account of the relevant Account Holder (in the case of French Law Certificates) as the holder of a particular

amount of the Certificates must look solely to the relevant Clearing System or the Definitive Certificate Agent, as the case may be, or, as the case may be, the relevant Account Holder for his share of each such payment so made to, or to the order of, such Clearing System or the Definitive Certificate Agent, as the case may be or Account Holder.

In the case of Private Placement Definitive Certificates only, if a Holder has given wire transfer instructions to the Issuer and Definitive Certificate Agent, the Company will make all payments in accordance with those instructions.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

In the case of VPC Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by VPC on the fifth Business Day immediately prior to the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the **Payment Date**) (the **Record Date**). The VPC Certificate Agent will pay the relevant amount through VPC to each Holder appearing in the VPC Register on the Record Date on the Payment Date.

## 7.2 Physical Delivery

### (a) Asset Transfer Notices

In relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant Holder must (a) in the case of Global Certificates held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, deliver to Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, as the case may be, or, as the case may be, the relevant Account Holder, not later than 10.00 a.m. (Local Time) on the date (the **Cut-off Date**) falling three Business Days prior to the Scheduled Valuation Date or, where there is more than one Scheduled Valuation Date, the first such Scheduled Valuation Date, (b) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, deliver to the New York Certificate Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date or (c) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Certificate Agent, not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, with a copy to the relevant Certificate Agent, a duly completed asset transfer notice (an **Asset Transfer Notice**) in the form set out in the Agency Agreement in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Certificate Agent.

In the case of Global Certificates, an Asset Transfer Notice may only be delivered in such manner as is acceptable to the relevant Clearing System or, as the case may be, the relevant Account Holder, which is expected to be by authenticated SWIFT message or tested telex or, in the case of the New York Certificate Agent and in the case of the Definitive Certificate Agent, by facsimile.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;

- (ii) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (iii) in the case of Global Certificates, specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with such Certificates or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with such Certificates;
- (iv) (a) in the case of Global Certificates, irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit the relevant Holder's securities account with the relevant Certificates or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, irrevocably instruct the New York Certificate Agent to debit the relevant Holder's account with the relevant Certificates or (b) in the case of Private Placement Definitive Certificates, irrevocably instruct the Definitive Certificate Agent to remove from the Private Placement Register on or before the Redemption Date the Certificates which are subject of such notice;
- (v) (a) in the case of Global Certificates, include an undertaking to pay all Expenses and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to debit a specified account of the Holder with the relevant Clearing System or, as the case may be, the relevant Account Holder, in respect thereof and to pay such Expenses or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, an authority to the New York Certificate Agent to debit a specified account of the Holder and to pay such Expenses or (b) in the case of Private Placement Definitive Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Certificate Agent to deduct an amount in respect thereof from any amount due to such Holder and/or debit a specified account of the Holder in respect thereof;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (i) in the case of Certificates represented by a Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, specify the name and number of the Holder's account with the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, (ii) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the details of the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of BNPP electing to pay the Alternate Cash Amount, or (iii) in the case of Private Placement Definitive Certificates, specify the details of the account to be credited with any cash payable by BNPP either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement, or as a result of BNPP electing to pay the Alternate Cash Amount;
- (vii) with respect to Currency Certificates only, (a) in the case of Global Certificates other than a Rule 144A Global Certificate specify the number of the Holder's account to the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the

amount due upon redemption of the Certificates, (b) in the case of Currency Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon redemption of the Certificates, or (c) in the case of Private Placement Definitive Certificates, specify the details of the account to be credited with the amount due upon redemption of the Certificates;

- (viii) certify, in the case of Global Certificates other than a Rule 144A Global Certificate, that the beneficial owner of each Certificate is not a U.S. person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and, where appropriate, including in the case of a Rule 144A Global Certificate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms;
- (ix) in the case of Private Placement Definitive Certificates, include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms;
- (x) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If Condition 7.3 applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the relevant Certificate Agent.

**(b) Verification of the Holder**

Upon receipt of an Asset Transfer Notice, the relevant Clearing System or, as the case may be, the relevant Account Holder shall verify that the person delivering the Asset Transfer Notice is the holder of the Certificates described therein according to its records. Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Certificate Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof. The relevant Clearing System or, as the case may be, the relevant Account Holder will on or before the Delivery Date debit the securities account of the relevant Holder with the relevant Certificates.

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, upon receipt of an Asset Transfer Notice, the New York Certificate Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the records of DTC. Subject thereto, the New York Certificate Agent will confirm the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the New York Certificate Agent will inform BNPP thereof. The New York Certificate Agent will, on or before the Delivery Date, debit the account of the relevant Holder with the relevant Certificates. In the case of Private Placement Definitive Certificates, upon receipt of an Asset Transfer Notice, the Definitive Certificate Agent shall verify that the person delivering the Asset Transfer Notice is the Holder



according to the Private Placement Register. Subject thereto, the Definitive Certificate Agent will confirm the series number and number of Certificates the subject of such notice and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Definitive Certificate Agent will inform BNPP thereof. The Definitive Certificate Agent will, on or before the Delivery Date, update the Private Placement Register.

(c) **Determinations and Delivery**

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

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

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

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the relevant Account Holder or the relevant Certificate Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this Condition, the **Delivery Date**), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Certificate Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Certificate Agent, as provided above on or prior to the Cut-Off Date.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Certificate Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as

a result of such Delivery Date falling after the Redemption Date and no liability in respect thereof shall attach to the Issuer or the Guarantor, if any.

The Issuer shall at the risk of the relevant Holder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

**(d) General**

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

Following the Delivery Date of a Share Certificate all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 7.2(a).

For such period of time after delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Entitlement (the **Intervening Period**), none of the Issuer, the Guarantor, if any, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

**(e) Settlement Disruption**

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Certificates (in which case another price or prices will be specified in the

applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 11 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Certificate in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For the purposes hereof:

**Disruption Cash Settlement Price**, in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion;

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

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

**(f) Failure to Deliver due to Illiquidity**

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

**7.3 Variation of Settlement**

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

**7.4 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount**

Following a valid redemption of Certificates in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Certificates, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be,

comprises shares which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the **Substitute Asset** or the **Substitute Assets**, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the **Alternate Cash Amount**). Notification of any such election will be given to Holders in accordance with Condition 11.

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

#### **7.5 Rights of Holders and Calculations**

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

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

#### **7.6 Prescription**

Claims against the Issuer or the Guarantor, if any, for payment of principal or interest in respect of the Certificates shall become void unless made within 60 months from the Redemption Date and no claims shall be made after such date.

### **8. ILLEGALITY AND FORCE MAJEURE**

#### **8.1 Illegality**

If the Issuer determines that the performance of its obligations under the Certificates has become illegal in whole or in part for any reason, the Issuer may, on giving notice to Holders in accordance with Condition 11, redeem all but not some only of the Certificates.

If the Issuer redeems the Certificates early then the Issuer will, if and to the extent permitted by applicable law, and except as may be limited in the case of U.S. Certificates pay to each Holder in respect of each Certificate held by such Holder an amount equal to the fair market value of a Certificate, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the relevant Final Terms) as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

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

## **8.2 Force Majeure**

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

If the Issuer redeems the Certificates then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Certificate held by such Holder, which amount shall be the fair market value (if any) of a Certificate taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

## **9. PURCHASES**

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Certificates so purchased may be held or resold or surrendered for cancellation; provided, however, that Certificates so purchased may only be resold pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 144A, Regulation S or otherwise thereunder. In the case of BNPP, any Certificates so purchased will forthwith be cancelled and accordingly may not be re-issued or resold.

## **10. CERTIFICATE AGENTS, DETERMINATIONS AND MODIFICATIONS**

### **10.1 Certificate Agents**

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

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

In the case of VPC Certificates the relevant Issuer is entitled to vary or terminate the appointments of the VPC Certificate Agent, provided that it appoints another VPC Certificate Agent that is duly authorised under the SFIA Act as an account operator.

## **10.2 Calculation Agent**

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

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

## **10.3 Determinations by the Issuer and the Guarantor**

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

## **10.4 Modifications**

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

## **11. NOTICES**

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

## 12. EXPENSES AND TAXATION

- 12.1 A Holder of Certificates must pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption of (or in the case of Instalment Certificates, payment of an Instalment Amount in respect of) the Certificates and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of the Certificates (**Expenses**) relating to such Certificates as provided above. Notwithstanding the foregoing, in the case of Italian Listed Certificates, "Expenses" shall not include any expenses related to the automatic exercise of such Certificates.
- 12.2 The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or enforcement of any Certificate and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

## 13. FURTHER ISSUES

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

## 14. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

- 14.1 Except in the case of U.S. Certificates, the Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the Certificates any company (the **Substitute**), being the Issuer or any other company, subject to:
- (a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Certificates;
  - (b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Certificates represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;
  - (c) the Substitute becoming party to the Agency Agreement, (unless the Substitute is a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
  - (d) each stock exchange on which the Certificates are listed shall have confirmed that, following the proposed substitution of the Substitute, the Certificates will continue to be listed on such stock exchange and in the case of VPC Certificates, VPC has consented to such substitution (such consent not to be unreasonably withheld or delayed);
  - (e) (if appropriate, the Substitute shall have appointed a process agent as its agent in England (in the case of English Law Certificates) or France (in the case of French Law Certificates) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Certificates; and
  - (f) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 11.

14.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Certificates any company (the **Substitute Guarantor**), being BNPP or any other company, subject to:

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

## 15. GOVERNING LAW

### 15.1 English Law Certificates

- (a) The English Law Certificates (including VPC Certificates and Dematerialised Italian Certificates), the English Law Agency Agreement and the English Law Guarantee are governed by and shall be construed in accordance with English law.



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

## 15.2 French Law Certificates

The French Law Certificates, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with French law, and any action or proceeding in relation thereto (**Proceedings**) shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*). Nothing in this Condition 15.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

## 16. ADDITIONAL DISRUPTION EVENTS

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

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

**Change in Law** means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share Certificates) or any relevant hedge positions relating to an Index (in the case of Index Certificates);

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

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

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

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange and interest risk) of the Issuer issuing and performing its obligations with respect to the Certificates, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

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

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

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

**Loss of Stock Borrow** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share (in the case of Share Certificates) or any securities/commodities comprised in an Index (in the case

of Index Certificates) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate; and

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

(b) **Additional Definitions**

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

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

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

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

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

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

of its Affiliates in order to hedge, either individually or on a portfolio basis, the Certificates) or the costs of so doing would (in the absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise; and

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

- (c) If an Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or, if applicable, (iii) below :
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment;
  - (ii) unless Delayed Redemption on Occurrence of Additional Disruption Event is specified in the applicable in the applicable Final Terms, on giving notice to Holders in accordance with Condition 11, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 11; or
  - (iii) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Additional Disruption Amount**) as soon as practicable following the occurrence of the Additional Disruption Event (the **Calculated Additional Disruption Amount Determination Date**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount.

If a Failure to Deliver due to Illiquidity occurs:

- (iv) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Redemption Date in accordance with Condition 7.2(e); and

- (v) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Certificates (in which case another price or prices will be specified in the applicable Final Terms) the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 11. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

For the purposes hereof:

**Failure to Deliver Settlement Price** in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

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

## 17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

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

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

The election will have effect as follows:

- (i) where the Settlement Currency of the Certificates is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Certificates will be made solely in euro as though references in the Certificates to the Settlement Currency were to euro;
- (ii) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the **Original Currency**) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and
- (iii) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or

- (b) require that the Calculation Agent make such adjustments to the Weighting and/or the Settlement Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting and/or the Settlement Price and/or such other terms of these Terms and Conditions.

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

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

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

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

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

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

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

## 18. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## ANNEX 1

### ADDITIONAL TERMS AND CONDITIONS FOR INDEX CERTIFICATES

*The terms and conditions applicable to Index Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **Index Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Certificate Conditions, the Index Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Index Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

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

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

**Disrupted Day** means:

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

**Early Closure** means:

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

**Exchange** means:

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

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

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

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

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

**Exchange Disruption** means:



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

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

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

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

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

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

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

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

**Settlement Price** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in **Valuation Date** or **Averaging Date**, as the case may be:

- (a) in the case of Index Certificates relating to a basket of Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Certificates relating to a single Index, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date; and

**Trading Disruption** means:

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

## 2. **Market Disruption**

**Market Disruption Event** means, in relation to Certificates relating to a single Index or basket of Indices:

- (a) in respect of a Composite Index:
  - (i) (A) the occurrence or existence, in respect of any Component, of:
    - (1) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one

hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;

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

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (i) the portion of the level of such Index attributable to that security and (ii) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

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

### **3. Adjustments to an Index**

#### **3.1 Successor Index Sponsor Calculates and Reports an Index**

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the Index.

### 3.2 Modification and Cessation of Calculation of an Index

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

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Certificates and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (b) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 11. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each redeemed Certificate being redeemed at an amount equal to the fair market value of a Certificate, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11; or
- (c) 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.

### 3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Certificate Agent of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Certificate Agent shall make available for inspection by Holders copies of any such determinations.

#### 4. Correction of Index

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

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

5.1 If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

5.2 If **Knock-out Event** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

5.3 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

5.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

5.5 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

**Knock-in Event** means:

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

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

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

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

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

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

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

**Knock-out Event** means:

- (a) (in the case of a single Index) that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (b) (in the case of a Basket of Indices) that the amount determined by the Calculation Agent equal to the sum of the values of each Index as the product of (x) the level of such Index as

of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

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

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

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

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

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 6. Automatic Early Redemption

6.1 If "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

6.2 Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

**Automatic Early Redemption Amount** means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

**Automatic Early Redemption Event** means that (i) in the case of a single Index, the Index Level or (ii) in the case of a basket of Indices, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

**Automatic Early Redemption Level** means the level of the Index specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Index Certificate Condition 3 (Adjustments to an Index) above;

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

**Automatic Early Redemption Valuation Date** means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding in the definition of **Valuation Date** shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date";

**Basket Price** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Index as the product of (i) the Index Level of such Index on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

**Index Level** means, in respect of any Automatic Early Redemption Valuation Date, the level of the Index as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.



## ANNEX 2

### ADDITIONAL TERMS AND CONDITIONS FOR SHARE CERTIFICATES

*The terms and conditions applicable to Share Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **Share Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Certificate Conditions, the Share Certificate Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Share Certificate Conditions and (ii) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

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

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

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

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

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

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

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

**Exchange Business Day (Single Share Basis)** means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective

regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

**Exchange Disruption** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Share on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange;

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

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

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

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

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

**Settlement Price** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject to the provisions of this Annex and as referred to in **Valuation Date** or **Averaging Date**, as the case may be:

- (a) in the case of Share Certificates relating to a basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may

be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

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

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

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

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

## 2. **Market Disruption**

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

Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

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

### 3. **Potential Adjustment Events**

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

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

Except as may be limited in the case of U.S. Certificates, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that

no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

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

**De-Listing** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

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

**Merger Date** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**Merger Event** means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Certificates, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Certificate or (b) in the case of Physical Delivery Certificates, the relevant Redemption Date.

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

**Tender Offer** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50% and less than 100% of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

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

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

absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11;

- (d) if Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Additional Disruption Amount**) as soon as practicable following the occurrence of the relevant event (the **Calculated Additional Disruption Amount Determination Date**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if greater, the Notional Amount;
- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **Options Exchange**), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (f) on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-Listing (as the case may be), the Calculation Agent may adjust the basket to include a share selected by it in accordance with the criteria for share selection set out below (each, a **Substitute Share**) for each Share (each, an **Affected Share**) which is affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-Listing and the Substitute Share and its issuer will be deemed to be a **Share** and the relevant issuer of such shares **Basket Company** for the purposes of the Certificates, respectively, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

"B" is the Initial Price of the relevant Affected Share; and

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

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

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

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

- (i) is not already included in the basket;
- (ii) the relevant issuer of such share belongs to a similar economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

## **5. Correction of Share Price**

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

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

- 6.1 If **Knock-in Event** is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable



Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

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

Unless otherwise specified in the applicable Final Terms:

**Knock-in Event** means:

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

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

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

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

**Averaging Date** in General Condition 4 shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day";

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

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

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

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

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

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

**Knock-out Event** means:

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

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

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

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable

in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

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

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or, in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 7. Automatic Early Redemption

7.1 If **Automatic Early Redemption Event** is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

7.2 Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

**Automatic Early Redemption Amount** means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the Notional Amount in respect of each Certificate and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

**Automatic Early Redemption Event** means that (i) in the case of a single Share, the Share Price or (ii) in the case of a basket of Shares, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

**Automatic Early Redemption Price** means the price per Share specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Share Certificate Condition 3 (Potential Adjustment Events) and Share Certificate Condition 4 (Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency) above;

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

**Automatic Early Redemption Valuation Date** means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted

Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of **Valuation Date** shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date";

**Basket Price** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Share as the product of (i) the Share Price of such Share on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting; and

**Share Price** means, in respect of any Automatic Early Redemption Valuation Date, the price per Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

## ANNEX 3

### ADDITIONAL TERMS AND CONDITIONS FOR GDR CERTIFICATES

*The terms and conditions applicable to GDR Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **GDR Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the GDR Certificate Conditions, the GDR Certificate Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the GDR Certificate Conditions and (b) the Final Terms, the Final Terms shall prevail.*

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

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) or (d) set out in Share Certificate Condition 1. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

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

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

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

#### 2. Potential Adjustment Event

The following additional event shall be added to Share Certificate Condition 3 a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares].

#### 3. General

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

## ANNEX 4

### ADDITIONAL TERMS AND CONDITIONS FOR DEBT CERTIFICATES

*The terms and conditions applicable to Debt Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **Debt Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Debt Certificate Conditions, the Debt Certificate Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Debt Certificate Conditions and (b) the Final Terms, the Final Terms shall prevail.*

#### 1. Settlement Price

**Settlement Price** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject as referred to in "Valuation Date" or "Averaging Date" above:

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

#### 2. Market Disruption

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

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

### **3. Correction of Debt Security Price**

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

## ANNEX 5

### ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY CERTIFICATES

*The terms and conditions applicable to Commodity Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **Commodity Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Certificate Conditions, the Commodity Certificate Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Commodity Certificate Conditions and (b) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

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

**Commodity Business Day** means:

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

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

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

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

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

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



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

**Index Component Disruption Event** means:

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

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

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

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

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

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

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

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

**Settlement Price** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, subject as provided in this Annex and as referred to in "Valuation Date" or "Averaging Date", as the case may be:

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

- (b) in the case of Commodity Certificates relating to a single Commodity or Commodity Index, an amount equal to the Relevant Price of the Commodity or Commodity Index, as the case may be, as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

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

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

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

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

## 2. Market Disruption

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

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

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

### 3. **Disruption Fallbacks**

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

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

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

- (i) the Calculation Agent shall determine if such event has a material effect on the Certificates and, if so, shall calculate the relevant Interest Amount and/or Cash Settlement Amount and/or make another relevant calculation using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Pricing Date as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity or Component, as the case may be, and any other information that in good faith it deems relevant; or
- (ii) unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 11, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of such Certificate, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 11; or
- (iii) if Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Market Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Market Disruption Amount**) as soon as practicable following the occurrence of the Market Disruption Event (the **Calculated Market Disruption Amount Determination Date**) and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (A) the Calculated Market Disruption Amount plus interest accrued from and including the Calculated Market Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (B) if greater, the Notional Amount.

#### (b) **Tax Disruption**

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of a Pricing Date, the Calculation Agent shall determine if such Tax

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

(c) **Price Source Disruption and Trading Disruption**

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

(d) **Index Component Disruption**

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

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

**4. Correction of Commodity Reference Price**

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

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

- (a) If "Knock-in Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- (b) If "Knock-out Event" is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, any payment under the relevant Certificates which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- (c) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination

Day is a Disrupted Day, then, unless otherwise specified in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- (d) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins and/or ends at the time on which the Commodity Reference Price triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then, unless otherwise specified in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- (e) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

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

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

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

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

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

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

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

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

**Knock-out Level** means (a) in the case of a single Commodity, the Relevant Price or (b) in the case of a Basket of Commodities, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 2 (Market Disruption), Commodity Certificate 3 (Disruption Fallbacks) and Commodity Certificate Condition 4 (*Adjustments to a Commodity Reference Price*);

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

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

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 6. Automatic Early Redemption

6.1 If **Automatic Early Redemption Event** is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Early Automatic Redemption Event occurs, then the Certificates will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Certificate shall be an amount equal to the relevant Automatic Early Redemption Amount.

6.2 Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

**Automatic Early Redemption Amount** means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the Notional Amount in respect of each Certificate and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date;

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms;

**Automatic Early Redemption Event** means that (a) in the case of a single Commodity, the Relevant Price or (b) in the case of a basket of Commodities, the Basket Price is, (A) "greater than",

(B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the Final Terms;

**Automatic Early Redemption Price** means the price per Commodity specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Commodity Certificate Condition 3 (Disruption Fallbacks) above;

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms;

**Automatic Early Redemption Valuation Date** means each date specified as such in the applicable Final Terms; and

**Basket Price** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Commodity as the product of (a) the Relevant Price of such Commodity on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting.

## ANNEX 6

### ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX CERTIFICATES

*The terms and conditions applicable to Inflation Index Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **Inflation Index Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Inflation Index Certificate Conditions, the Inflation Index Certificate Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Inflation Index Certificate Conditions and (b) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

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

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

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

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

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

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

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



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

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

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

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

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

**Settlement Price** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate, the Relevant Level;

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

**Substitute Inflation Index Level** means, in respect of a Delayed Index Level Event, the Index Level determined by the Issuer in accordance with Inflation Index Certificate Condition 2 (Delay in Publication) below.

## 2. **Delay in Publication**

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Valuation Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Valuation Date (the **Substitute Inflation Index Level**) shall be determined by the Calculation Agent (subject to Inflation Index Certificate Condition 4.2 (Substitute Inflation Index Level) below, as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or

- (b) if (i) Related Bond is specified as not applicable in the relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:
  - (i) Substitute Inflation Index Level = Base Level x (Latest Level/Reference Level); or
  - (ii) otherwise in accordance with any formula specified in the relevant Final Terms,

where:

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

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

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

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

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

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

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

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Inflation Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if (i) Related Bond is specified as not applicable in the applicable Final Terms or (ii) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a "Successor Inflation Index";

- (c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a "Successor Inflation Index"; or
- (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

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

## **4. Adjustments**

### **4.1 Successor Inflation Index**

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

### **4.2 Substitute Inflation Index Level**

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

### **4.3 Index Level Adjustment Correction**

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index Certificate Condition 4.6 (Index Modification) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Valuation Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Holders of any valid revision in accordance with General Condition 11.

- (b) If, within 30 days of publication or at any time prior to a Valuation Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Valuation Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any relevant Interest Amount and/or the Cash Settlement Amount payable under the Certificates (if any) and/or any other relevant term of the Certificates as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Holders of any such adjustment and/or amount in accordance with General Condition 11.
- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Valuation Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Index Certificates and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (ii) to make any adjustment to any relevant Interest Amount and/or the Cash Settlement Amount payable under the Certificates (if any) and/or any other relevant term of the Certificates as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Holders of any determination in respect of (a) or (b), together with any adjustment or amount in respect thereof, in accordance with General Condition 11.

#### 4.4 Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Cash Settlement Amount and/or any other relevant term of the Certificates (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to any relevant Interest Amount and/or the Cash Settlement Amount and/or any other relevant term of the Certificates as the Calculation Agent deems necessary. The Issuer shall give notice to the Holders of any such adjustment in accordance with General Condition 11.

#### 4.5 Rebasing

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

arrangements. Notice of any adjustment, cancellation of the Certificates or determination pursuant to this paragraph shall be given to Holders in accordance with General Condition 11.

#### **4.6 Index Modification**

- (a) If on or prior to the Cut-Off Date in respect of any Valuation Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Certificates (including, without limitation, the Cash Settlement Amount payable under the Certificates), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (ii) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Inflation Index Certificates (including, without limitation, any relevant Interest Amount and/or the Cash Settlement Amount payable under the Certificates), as the Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.
- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Valuation Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Valuation Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Interest Payment Date and/or Redemption Date, as the case may be, such that the provisions of subparagraph (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with subparagraph (a) above.

#### **4.7 Index Cancellation**

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

- (a) elect for the Calculation Agent to calculate the relevant Interest Amount and/or Settlement Price using, in lieu of a published level for that Inflation Index, the level for that Inflation Index, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Inflation Index last in effect prior to cancellation;
- (b) redeem all but not some only of the Certificates on the date notified by the Issuer to Holders in accordance with General Condition 11 in which event the Issuer will pay to each Holder in respect of such Certificate held by him an amount equal to fair market value of a Certificate, as determined by the Calculation Agent as at the date of cancellation taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any cancellation of the Certificates pursuant to this paragraph shall be given to Holders in accordance with General Condition 11.

## ANNEX 7

### ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY CERTIFICATES

*The terms and conditions applicable to Currency Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **Currency Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Currency Certificate Conditions, the Currency Certificate Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Currency Certificate Conditions and (b) the Final Terms, the Final Terms shall prevail.*

#### 1. Settlement Price

**Settlement Price** means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Certificate:

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

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

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

Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

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

Unless otherwise specified in the applicable Final Terms:

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

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

**Knock-in Event** means (a) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (b) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (i) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant Weighting is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Level as specified in the applicable Final Terms;

**Knock-in Level** means (a) in the case of a single Subject Currency, the value of the Subject Currency or (b) in case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms;

**Knock-in Period Ending Date** means the date specified as such in the applicable Final Terms;

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

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

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

**Knock-out Event** means (a) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (b) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (i) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant Weighting is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Level as specified in the applicable Final Terms;

**Knock-out Level** means (a) in the case of a single Subject Currency, the value of the Subject Currency or (b) in the case of a basket of Subject Currencies, the value, in each case specified as such or otherwise determined in the applicable Final Terms;

**Knock-out Period Beginning Date** means the date specified as such in the applicable Final Terms;

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms; and

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.



## ANNEX 8

### ADDITIONAL TERMS AND CONDITIONS FOR FUND CERTIFICATES

*The terms and conditions applicable to Fund Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **Fund Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Fund Certificate Conditions, the Fund Certificate Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Fund Certificate Conditions and (b) the Final Terms, the Final Terms shall prevail.*

#### 1. Definitions

**Additional Extraordinary Fund Event** has the meaning given to it in the applicable Final Terms.

**Fund** means the Fund or Funds specified in the applicable Final Terms.

**Fund Documents** means the prospectus, information memorandum and/or offering circular issued by the Fund in respect of the Shares and the constitutional documents of the Fund in each case specified in the applicable Final Terms.

**Fund Share(s)** means the shares, units or other similar interests in the Fund specified in the applicable Final Terms.

**Hedge Provider** such party as may from time to time hedge the Issuer's payment obligations in respect of the Certificates. The Hedge Provider may be, *inter alia*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party holding Fund Shares or entering into any agreement to purchase or deliver, or pay an amount linked to the performance of the Fund Shares.

**NAV Barrier** has the meaning given to it in the applicable Final Terms or its equivalent in another currency.

**Net Asset Value per Fund Share** means the net asset value (howsoever such term is defined in the Fund Documents) per Fund Share.

**Number of NAV Publication Days** has the meaning given to it in the applicable Final Terms.

#### 2. Extraordinary Fund Events

**Extraordinary Fund Event** means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (a) the Fund or the investment advisor, investment manager or sub-manager (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law

affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (v) above;

- (b) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, the investment advisor, investment manager or sub-manager or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Certificates;
- (c) any of the administrator, the custodian, the fund paying agent, the fund transfer agent, the domiciliary agent, the investment adviser and investment manager or sub-manager or other agents or the entities fulfilling such roles, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (d) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);
- (e) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the Net Asset Value per Fund Share or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund (including, without limitation, the suspension of the Net Asset Value per Fund Share), in each case other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relate (either alone or in common with other Fund Shares issued by the Fund);
- (f) the investment advisor, investment manager or sub-manager, the administrator or the custodian bank fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (g) (i) the occurrence of any event affecting the Fund Shares that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to

determine the value of the Fund Shares, and such event continues for at least ten Business Days; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Shares;

- (h) any of the Fund, the administrator or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the Net Asset Value per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Share unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (i) any relevant activities of or in relation to the Fund or the investment adviser, managers or sub-managers thereof are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund or the investment adviser, manager or sub-manager thereof, (iii) the Fund is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Notes;
- (j) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares submitted by the Hedge Provider (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Certificates, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdictions legislation, (iv) the Fund otherwise suspends or refuses redemptions of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares) as described in the Fund Documents], (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Certificates] or (vi) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason];
- (k) the aggregate net asset value of the Fund falls below the NAV Barrier;
- (l) any proposal to wind up the Fund or the Fund ceases to exist or] there exists any litigation against the Fund or the investment advisor, investment manager or sub-managers which in

the determination of the Calculation Agent could materially affect the value of the Fund Shares;

- (m) the currency denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (n) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Certificates, (a **Tax Event**) and, subject as provided below, the Issuer or the Hedge Provider has, for a period of 20 Business Days following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;
- (o) in connection with any hedging activities in relation to the Certificates, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a **Relevant Event**) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a Fund Share holder of the Fund or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of five Business Days following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of five Business Days set out above shall be deemed satisfied on any date it is or becomes at any time that there is no means of mitigating the Relevant Event; or
- (p) in connection with the hedging activities in relation to the Certificates, if the cost to the Issuer or the Hedge Provider in relation to the Notes would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss, in each case following any action or inaction by the Fund, the investment advisor, investment manager or sub-manager relating to the Certificates.

### 3. **Consequences of a Extraordinary Fund Event**

Following the occurrence of an Extraordinary Fund Event, the Calculation Agent shall take the action set out in the applicable Final Terms which may include, *inter alia*, adjusting or cancelling the Certificates or substituting the affected Fund Shares.

Upon determining any such adjustment, cancellation or substitution, the Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 11 giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

## ANNEX 9

### ADDITIONAL TERMS AND CONDITIONS FOR MARKET ACCESS CERTIFICATES

*The terms and conditions applicable to Market Access Certificates shall comprise the Terms and Conditions of the Certificates set out on page 174 (the **General Conditions**) and the additional Terms and Conditions set out below (the **Market Access Certificate Conditions**), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Market Access Certificate Conditions, the Market Access Certificate Conditions set out below shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Market Access Certificate Conditions and (b) the Final Terms, the Final Terms shall prevail.*

#### 1. Interim Payment Amount/Interim Coupon Amount

If so specified in the applicable Final Terms, the following provisions shall apply:

- (a) The Issuer will pay an amount in cash in respect of each Certificate equal to any then unpaid Interim Payment Amount or Interim Coupon Amount in accordance with this Market Access Certificate Condition 1.
- (b) The Issuer will, or will cause the Calculation Agent to (i) provide written notice to the Principal Certificate Agent, on or prior to 10.30 a.m. Brussels or Luxembourg time (as appropriate), on the Business Day immediately succeeding the date any Applicable Cash Dividend Amount or any Applicable Cash Coupon Amount, or any Applicable Cash Distribution Amount, as applicable, is received by a Qualified Investor entitled to receive it, of the Interim Payment Amount or the Interim Coupon Amount to be paid with respect to each Certificate in relation thereto, and (ii) pay such Interim Payment Amount or the Interim Coupon Amount to the Agent in time for payment to the Holders on the Interim Payment Date or the Interim Coupon Date, as applicable.
- (c) Payment of an Interim Payment Amount or an Interim Coupon Amount shall be made to the Holder on the applicable Interim Payment Date or Interim Coupon Date. If the Share Company or the Basket Company or the Security Issuer, as applicable, fails to deliver to a Qualified Investor entitled to receive it any Applicable Cash Dividend Amount or any Applicable Cash Coupon Amount or any Applicable Cash Distribution Amount, as applicable, before the 120th day after the earliest of any Actual Exercise Date and the Expiration Date (the **Applicable Cash Dividend Failure Date** or **Applicable Cash Coupon Failure Date** or **Applicable Cash Distribution Failure Date**), the Holders will receive no payment in respect of any such unpaid Applicable Cash Dividend Amount or Applicable Cash Coupon Amount or any Applicable Cash Distribution Amount, and the Issuer will, or will cause the Calculation Agent to, provide written notice to the Agent promptly after such Applicable Cash Dividend Failure Date or the Applicable Cash Coupon Failure Date or the Applicable Cash Distribution Failure Date.
- (d) The Calculation Agent will determine the Interim Payment Amount or the Interim Coupon Amount, if any, of the Certificates in its discretion acting in good faith and in a commercially reasonable manner.
- (e) Definitions relating to Interim Payment Amount/Interim Coupon Amount:

Unless otherwise specified in the applicable Final Terms:

**Applicable Cash Coupon Amount** shall mean the net cash coupon on one Debt Security, paid to a Qualified Investor entitled to receive it in respect of any single declaration of cash interests, expressed in the Settlement Currency as determined by the Calculation Agent, the Coupon Payment Dates for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Redemption Date or any earlier date on which the relevant Certificate becomes due for redemption in respect of Certificates held through Euroclear and/or Clearstream, Luxembourg;

**Applicable Cash Distribution Amount** shall mean the (a) net cash distribution or (b) net sale proceeds of any property in respect of one Share, paid to a Qualified Investor entitled to receive it in respect of any single cash distribution or sale, expressed in the Settlement Currency as determined by the Calculation Agent, the record or effective date for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Redemption Date or any earlier date on which the relevant Certificate becomes due for redemption in respect of Certificates held through Euroclear and/or Clearstream, Luxembourg;

**Applicable Cash Dividend Amount** shall mean the net cash dividend on one Share, paid to a Qualified Investor entitled to receive it in respect of any single declaration of cash dividends, expressed in the Settlement Currency as determined by the Calculation Agent, the ex-dividend date for which falls during the period from and including the Issue Date to and including 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Redemption Date or any earlier date on which the relevant Certificate becomes due for redemption in respect of Certificates held through Euroclear and/or Clearstream, Luxembourg;

**Coupon Payment Dates** means the dates falling after the Issue Date on which the Security Issuer is scheduled to pay interest on the Debt Securities, which is specified in the Final Terms;

**Debt Securities Amount** means, subject to adjustment in accordance with Annex 4, the number of underlying Debt Securities per Security as specified in the Final Terms;

**Interim Coupon Amount** shall mean an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Coupon Amount and (b) the Debt Securities Amount applicable on the relevant Coupon Payment Date (net of any and all withholding taxes based upon the maximum statutory rates (or any other rate specified in the Final Terms) applicable to a Qualified Investor in connection with the receipt of such interest);

**Interim Coupon Date** means the fifth Business Day following the date the relevant Applicable Cash Coupon Amount is received by a Qualified Investor entitled to receive it;

**Interim Payment Amount** shall mean an amount in the Settlement Currency equal to the product of (a) any Applicable Cash Dividend Amount or any Applicable Cash Distribution Amount, as applicable, and (b) the Share Amount applicable on the relevant ex-dividend date (or in the case of GDR Certificates, the Share Amount applicable on the relevant record date in respect of the Shares (net of any and all withholding taxes based upon the maximum statutory rates (or any other rate specified in the Final Terms) applicable to a Qualified Investor in connection with the receipt of such dividends or distributions);

**Interim Payment Date** means the fifth Business Day following the date the relevant Applicable Cash Dividend Amount or Applicable Cash Distribution Amount, as applicable, is received by a Qualified Investor entitled to receive it; and

**Share Amount** shall mean, subject to adjustment in accordance with Annex 2, the number of underlying Shares per Certificate as specified in the Final Terms.

## 2. Potential Adjustment Event

If so specified in the applicable Final Terms, Share Certificate Condition 3 shall be amended by the addition of the following at the end of the penultimate paragraph:

Any adjustment to the terms of the Certificates following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registration payable by or on behalf of the Issuer or any of their relevant affiliates or a Qualified Investor charged on subscription, acquisition or receipt (sale or disposal) of any Shares or other securities received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Calculation Agent in good faith. In respect of an event as set out in paragraph (h) of the definition of Potential Adjustment Event (as amended by GDR Certificate Condition 2), in lieu of making any adjustment to the terms of the Certificates, the Issuer or a Qualified Investor may exercise its discretion to sell any or all of the property a holder of the Shares should receive and pass the net sale proceeds to the Holders instead in accordance with Share Certificate Condition 3.

## 3. Stock Dividends or Stock Distributions and Rights Issues

If so specified in the Final Terms, the following provisions shall apply:

- (a) In the event that a stock dividend in respect of the Shares or dividend in the form of Shares (a **Stock Dividend**) is declared by the Share Company or the Basket Company, as applicable, during the period from and including the Issue Date to but excluding the Expiration Date, (or in the case of GDR Certificates, in the event that there has been any stock distribution (a **Stock Distribution**) in respect of the Underlying Shares the record or effective date of which falls during the period from and including the Issue Date to but excluding the Redemption Date or any earlier date on which the relevant Certificates become due for redemption), in lieu of making an adjustment to the Certificates, the Issuer may issue an amount of further Certificates (the **Further Certificates**) to the holder of Certificates that would receive such Stock Dividend or Stock Distribution according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Stock Dividend (or in the case of GDR Certificates relating, on the Business Day preceding the record or effective date in relation to such Stock Distribution) (if such holder of Certificate had been the buyer in such sale) to reflect the issue of the Stock Dividend or Stock Distribution (as adjusted for any withholding tax or charges) notwithstanding that such person may not be the holder of the Certificate as of the date on which the Further Certificates are issued. Further Certificates issued pursuant to this paragraph may be issued to the holders of the Certificates free of charge or at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.
- (b) In addition, in the event that a rights issue (a **Rights Issue**) in respect of the Shares is declared by the Share Company or the Basket Company during the period from and including the Issue Date to but excluding the Redemption Date or any earlier date on which the relevant Certificates become due for redemption, in lieu of making an adjustment to the Certificates, the Issuer may issue an amount of Further Certificates to the holder of the Certificate that would receive such Rights Issue according to market practice in relation to a sale of Shares executed on the Business Day preceding the date of declaration of such Rights Issue (or in the case of GDR Certificates, on the Business Day preceding the record or effective date in relation to such Rights Issue) (if such holder of Certificate had been the buyer in such sale) to reflect the Rights Issue (as adjusted for any withholding tax or charges) notwithstanding that such person may not be the holder of the Certificate as of the



date on which the Further Certificates are issued. Further Certificates issued pursuant to this paragraph may be issued to the holders of the Certificates at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.

- (c) The Issuer may issue the Further Certificates, if any, to the relevant person five Business Days following the day on which a foreign investor would have received the relevant Stock Dividends or Shares upon exercise of the Rights Issue or such later date as the Calculation Agent shall determine in its sole discretion. Any determination by the Calculation Agent in respect of the persons to whom the Further Certificates should be issued shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the holders of Certificates.
- (d) If a Holder holds more than one Certificate, the number of Certificates held by such Holder may be aggregated for the purposes of determining the number of Further Certificates to be issued to such Holder pursuant to the above.
- (e) In the event that any Further Certificates are to be issued at an issue price, no Holder will be obliged to purchase such Further Certificates but if such Further Certificates are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Holder in respect of such Stock Dividend or Rights Issue, as the case may be.
- (f) Upon the declaration of a Stock Dividend or a Rights Issue by the Share Company or the Basket Company and the election by the Issuer to issue Further Certificates, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11 stating the declaration of the Stock Dividend or the Rights Issue, the election by the Issuer to issue Further Certificates and giving details thereof.

#### **4. Issuer's option following an Additional Disruption Event**

If so specified in the applicable Final Terms, the following provisions shall apply:

##### **(a) Issuer's Option following Additional Disruption Event**

Upon the occurrence of any event that constitutes more than one of an Additional Disruption Event or a Market Disruption Event, the Calculation Agent shall have sole discretion to determine which one or more of such events it shall be deemed to constitute. The Calculation Agent shall act in good faith in making such determination.

If the Issuer decides to give notice to holders of Certificates of the occurrence of an Additional Disruption Event, it shall state in such notice whether the Certificates will be redeemed (in whole or in part) pursuant to Market Access Certificate Condition 4(b) below or whether the Issuer's obligations under the Certificates will be suspended pursuant to Market Access Certificate Condition 4(c) below. If the Issuer elects to give notice to holders of Certificates of a suspension of its obligations under the Certificates pursuant to Market Access Certificate Condition 4(c) below, the Issuer shall nevertheless retain the right at all times to redeem the Certificates pursuant to Market Access Certificate Condition 4(b) below by giving notice to Holders in accordance with General Condition 11.

##### **(b) Termination**

Upon the Issuer's election to redeem the Certificates as aforesaid (or upon expiry of the 30 day period referred to in paragraph (c) below), the Issuer will, in respect of each and every Certificate redeemed (the **Redeemed Certificate**) cause to be paid to the holders of Certificates an amount determined to be the fair market value of the Redeemed Certificate as

at redemption (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including the circumstances that resulted in the occurrence of the Additional Disruption Event) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements (including but not limited to selling or otherwise realising the Shares or the Debt Securities or any options or futures contracts in relation to the Shares or the Debt Securities), all as determined by the Calculation Agent in its discretion acting in good faith and in a commercially reasonable manner]. At the election of the Issuer such payment may be made in the Local Currency in the Relevant Jurisdiction, in which case the holders of Certificates will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable or unlawful for the Issuer to pay such amount in the Relevant Jurisdiction, or the relevant holders of Certificates do not establish the necessary account in the Relevant Jurisdiction, to receive payment(s) in the currency the Issuer elects, the Issuer shall not be obliged to make payment of any such amounts so affected, as applicable. Payment will be made, as the case may be, in such manner as shall be notified to the holders of Certificates in accordance with General Condition 11.

(c) **Suspension**

Upon the Issuer's election to suspend the Certificates, the Issuer's obligations in respect of the Certificates may be suspended up until the 10th day after such Additional Disruption Event shall cease to exist. In the event that such date shall not have arisen before the date which falls 30 days after the Redemption Date or any earlier date on which the Certificates become due for redemption, the Certificates shall be redeemed pursuant to paragraph (b) above.

(d) **Conclusive Determination**

All determinations made by the Issuer and/or Calculation Agent pursuant to this Market Access Certificate Condition 4 shall be conclusive and binding on the Holders and the Issuer. No holders of Certificates will be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of an Additional Disruption Event.

**5. Regulatory Change Event**

If so specified in the applicable Final Terms, the following provisions shall apply:

Upon the occurrence of a Regulatory Change Event, the Calculation Agent will (a) make the corresponding adjustment, if any, to any one or more of any Share Amount and/or the Cash Settlement Amount and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the effect of such Regulatory Change Event and (b) determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 11, stating the adjustment to any Share Amount and/or the Cash Settlement Amount and/or any of the other terms of the Terms and Conditions and/or the applicable Final Terms and giving brief details of the Regulatory Change Event.

**Regulatory Change Event** means any event which, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, constitutes:

- (a) the adoption of, change in or change in the interpretation or administration of, any law, rule or regulation by any governmental authority, central bank or comparable agency (**governmental authority**); and/or
- (b) the compliance by the Issuer and/or any of its affiliates with any request or directive of any governmental authority (whether or not having the force of law),

and which (i) imposes, modifies, applies or eliminates any tax, reserve, special deposit, insurance assessment or any other requirement in respect of assets or deposits of the Issuer and/or any of its affiliates in respect of (A) issue and/or redemption of the Certificates or (B) any transaction entered into by the Issuer and/or any of its affiliates to hedge, either directly or indirectly, the obligations of the Issuer in respect of the Certificates; and/or (ii) affects in any other way the cost to the Issuer and/or any of its affiliates of: (A) the issue and/or redemption of Certificates; and/or (B) hedging, either directly or indirectly, the obligations of the Issuer in respect of the Certificates.

## 6. **Early Redemption Event**

If so specified in the applicable Final Terms, the following provisions shall apply:

- (a) In the event that in the determination of the Calculation Agent, the Debt Securities (in whole or in part) (i) become due and repayable by reason of a default in payment, an event of default or any similar credit event of the Security Issuer, or (ii) become due and repayable on a date prior to its maturity date (other than by reason of any default), or (iii) become subject to conversion into underlying shares or stock (each an **Early Redemption Event**), the Issuer will be entitled to:
  - (i) redeem the Certificates by giving notice to the Holders in accordance with General Condition 11 and pay the Debt Securities Early Redemption Amount to each Holder in respect of each Certificate on the Early Termination Date; or
  - (ii) in relation to a redemption and/or conversion in part of the Debt Securities (a **Partial Early Redemption**), require the Calculation Agent to determine whether such partial redemption and/or conversion affects the Debt Securities held by the Issuer and/or its affiliates in order to hedge the Issuer's obligations in respect of the Certificates (the **Aggregate Hedge Position**) or otherwise makes it impossible, impracticable or unduly onerous for the Issuer and/or its affiliates to hedge the Issuer's obligations in respect of the Certificates and, if so, gives notice to the Holders in accordance with General Condition 11,

and:

- (A) pay the Debt Securities Early Redemption Amount to each Holder in respect of each Certificate held by him on the Early Termination Date; and/or
- (B) reduce the Debt Securities Amount by an amount equal to the Affected Portion and/or require the Calculation Agent to determine in its sole discretion the appropriate adjustment, if any, to be made to any one or more of the Settlement Price and/or any of the other terms of these Conditions and/or the Final Terms to account for such payment and determine the effective date of that adjustment.

Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 11.

(b) **Definitions**

For the purposes of this Market Access Certificate Condition 6:

**Debt Securities Early Redemption Date** means the date falling four Business Days after the date on which the Debt Securities Early Redemption Amount is determined.

**Debt Securities Early Redemption Securities Amount** means (a) in the case of Market Access Certificate Condition 6(a), the Debt Securities Amount and (b) in the case of Market Access Certificate Condition 6(a), each Certificate's *pro rata* portion (the Affected Portion) of the nominal amount of Debt Securities comprising the Aggregate Hedge Position affected by the Partial Early Redemption, all as determined by the Calculation Agent in its sole and absolute discretion.

- (a) Securities Amount (net of any costs) which the Issuer or its affiliate obtains in selling or otherwise realising the underlying shares or stock after conversion (the **Shares**),

such resulting amount to be converted into the Settlement Currency at the Exchange Rate.

**Early Termination Amount** means, in respect of each Certificate, an amount calculated by the Calculation Agent equal to the arithmetic average price per Debt Securities Early Redemption Securities Amount (net of any costs) which the Issuer or its affiliate obtains in selling or otherwise realising the Debt Securities (the **Sale Proceeds**), provided however that,

- (a) if Market Access Certificate Condition 6(a)(i) applies in respect of the Certificates, the Issuer may elect to pay, in lieu of the Sale Proceeds, the amount of principal which a Qualified Investor would have received pursuant to the terms of the Debt Securities as a result of the Debt Securities Early Redemption Event if it held the Debt Securities Early Redemption Securities Amount (net of any costs, including those that would have been withheld in relation to payment of such cash amount to a Qualified Investor); or
- (b) if Market Access Certificate Condition 6(a)(ii) applies in respect of the Certificates, the Issuer may elect to pay, in lieu of the Sale Proceeds, the arithmetic average price per Debt Securities Early Redemption.

**7. Additional Condition**

If so specified in the applicable Final Terms, the following provisions shall apply:

The Issuer may modify or amend these Terms and Conditions of the Certificates or the applicable Final Terms without the consent of the Holders in any manner which the Issuer may deem necessary or desirable for the purpose of obtaining listing of the Certificates on the Official List of the Luxembourg Stock Exchange and admission to trading on the regulated market (Bourse de Luxembourg) of the Luxembourg Stock Exchange as promptly as practicable provided that any such modification or amendment is not materially prejudicial to the Holders.

**8. Certificates linked to underlying shares that are yet to be listed**

If so specified in the applicable Final Terms, the following provisions shall apply:

The Issuer may, by notice to the Holders in accordance with General Condition 11, redeem all but not some only of the Certificates if, upon the expiration of three months after the Expected Listing Date (as specified in the Final Terms), the Shares do not become listed at the Scheduled Closing Time on the Exchange as specified in the Final Terms, on or before such date, all as determined by the Calculation Agent in its sole and absolute discretion and in a commercially reasonable manner. The Issuer will, in respect of each and every Certificate, cause to be paid to the holder of each such Certificate the Cash Settlement Amount specified in the applicable Final Terms.

All determinations made by the Issuer and/or Calculation Agent pursuant to the foregoing paragraph shall be conclusive and binding on the Holders and the Issuer. No Holder will be entitled to any compensation from the Issuer for any loss suffered as a result of the Shares not becoming listed on the Exchange at the Scheduled Closing Time on or before the expiration of three months after the Expected Listing Date.

## FORM OF FINAL TERMS FOR WARRANTS

The Form of Final Terms for Warrants set out on page 33 of the Base Prospectus shall be deleted in its entirety and replaced by the following:

### FORM OF FINAL TERMS FOR WARRANTS

#### FINAL TERMS DATED [●]

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

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

##### **BNP Paribas**

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

*[insert title of Warrants]*

#### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC (the **Prospectus Directive**). This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the **Issuer**) and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus is available for viewing at [address] [and] [website] and copies may be obtained free of charge at the specified office of the Warrant Agents and Certificate Agents.]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated] [●]]. This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated [current date] [and the Supplement to the Base Prospectus dated] [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated] [●]] and are attached hereto. Full information on [BNP Paribas Arbitrage Issuance B.V.]/[BNP Paribas] (the **Issuer**) and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the Supplement to the Base Prospectus dated] [●]]. [The Base Prospectuses are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

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

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

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive]*

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

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

### SPECIFIC PROVISIONS FOR EACH SERIES

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

### GENERAL PROVISIONS

The following terms apply to each series of Warrants:

3. Trade Date: The trade date of the Warrants is [●].
4. Issue Date: The issue date of the Warrants is [●].
5. Consolidation: The Warrants are to be consolidated and form a single series with the [insert title of relevant series of warrants] issued on [insert issue date].
6. Type of Warrants: The Warrants are [Index Warrants/Share Warrants/Fund Warrants/GDR Warrants/Debt Warrants/Currency Warrants<sup>3</sup> /Commodity Warrants<sup>4</sup> /Inflation Index Warrants<sup>5</sup> /Fund Warrants<sup>6</sup>/Credit Linked Warrants<sup>7</sup>/Hybrid Warrants<sup>8</sup> (*specify other type of Warrants*)].

The Warrants are [European/American/(*specify other*)] Style Warrants. [(*N.B. VPC Warrants may only be European Style Warrants*)]

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

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

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

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

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

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

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

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

The Warrants are [Turbo/Quanto/Digital/[Bull/Bear/Capped] Spread] Call Warrants or [Turbo/Quanto/Digital/[Bull/Bear/Floored] Spread] Put Warrants [*specify other*] as set out in **Specific Provisions for each Series** above [or such other Warrants being "Specific Products" in relation to which Part C (*Specific Product Contractual Terms*) applies].

Automatic Exercise [applies/does not apply]. (*N.B. Automatic Exercise may only apply in relation to Cash Settled Warrants/Automatic Exercise will always apply to VPC Registered Warrants and Dematerialised Italian Warrants*).

7. Form of Warrants: [Clearing System Global Warrant]/[Registered Global Warrant.] [Dematerialised bearer form (*au porteur*)<sup>9</sup>] [Rule 144A Global Warrant]<sup>10</sup> [Private Placement Definitive Warrant]<sup>10</sup> [Regulation S Global Warrant]<sup>10</sup> [VPC Warrants] [Dematerialised Italian Warrants]
8. Business Day Centre(s): The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Condition 4 [is/are] [●].
9. Settlement: Settlement will be by way of [cash payment (Cash Settled Warrants)] [and/or] [physical delivery (Physical Delivery Warrants)]. (*N.B. VPC Warrants and Dematerialised Italian Warrants may only be Cash Settled Warrants*)
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 Warrants.<sup>11</sup> (*N.B. the Issuer's option to vary settlement is not applicable to VPC Warrants or Dematerialised Italian Warrants*)
- (b) Variation of Settlement of Physical Delivery Warrants: [Notwithstanding the fact that the Warrants are Physical Delivery Warrants, the Issuer may make payment of the Cash Settlement Amount on the Settlement Date and the provisions of Condition 5(D) will apply to the Warrants./The Issuer will procure delivery of the Entitlement in respect of the Warrants and the provisions of Condition 5(D) will not apply to the Warrants. Any Physical Delivery for U.S. Warrants must be made in compliance with the Securities Act and the Exchange Act.]
11. Relevant Asset(s): The relevant asset to which the Warrants relate [is/are] [●]. (*N.B. Only applicable in relation to Physical Delivery Warrants*)
12. Entitlement:

[The Entitlement (as defined in Condition 4) in relation to each

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

<sup>10</sup> Not applicable for U.S. Warrants, unless Physical Delivery can be in compliance with U.S. securities laws.

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



Warrant 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 Warrants)*

13. Exchange Rate: The applicable rate of exchange for conversion of any amount into the relevant settlement currency for the purposes of determining the Settlement Price (as defined in Condition 4) or the Cash Settlement Amount (as defined in Condition 4) is [*insert rate of exchange and details of how and when such rate is to be ascertained*].
14. Settlement Currency: The settlement currency for the payment of [the Cash Settlement Amount] (*in the case of Cash Settled Warrants*)/[the Disruption Cash Settlement Price] (*in the case of Physical Delivery Warrants*) is [●].
15. Agent: [BNP Paribas Securities Services, Luxembourg Branch]/[BNP Paribas Arbitrage SNC]/[The Bank of New York]/[specify other].
16. Calculation Agent: [BNP Paribas]/[BNP Paribas Arbitrage SNC]/[specify other][ADDRESS].
17. Governing Law: [English/French] law
18. Special conditions or other modifications to the Terms and Conditions: [ ]

## PRODUCT SPECIFIC PROVISIONS

19. Index Warrants: [The provisions of Annex 1 (*Additional Terms and Conditions for Index Warrants*) shall apply]
- (a) Index/Index Sponsor: [specify name of index/indices]  
[specify name of index sponsor(s)]  
[The [ ] Index is a Composite Index]<sup>12</sup>
- (b) Exchange(s): The Exchange(s) [is/are] [●].
- (c) Related Exchange(s): [The relevant Related Exchange(s) [is/are] [●]/[All Exchanges]
- (d) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis]

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

- (e) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index 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 1/[specify other]. (N.B. Only applicable in relation to Warrants relating to a Basket)]
- (g) Settlement Price: The Settlement Price will be calculated [insert calculation method if different from Annex I].
- (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 subparagraphs 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]
- (ix) 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 subparagraphs of this paragraph)*
- (k) Knock-out Level: [*specify*]
  - (i) Knock-out Period Beginning Date: [*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 Scheduled Trading Day Convention: [Not Applicable/Applicable]
  - (v) Knock-out Period Ending Date: [*specify*]
  - (vi) Knock-out Period Ending Date Scheduled Trading Day Convention: [Not Applicable/Applicable]
  - (vii) Knock-out Valuation Time: [*specify*/See definition in Annex 1] [Relevant Time]
- (l) Cancellation on occurrence of Index Adjustment Event: [As per Conditions/Not Applicable]

20. Share Warrants: [The provisions of Annex 2 (*Additional Terms and Conditions for Share Warrants*) shall apply]
- (a) Share(s)/Share Company/Basket Company: [Insert type of Share(s) and Share Company/Basket Companies]
- (b) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis]
- (c) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis]  
(*must match election made for Exchange Business Day*)
- (d) Exchange(s): The Exchange[s] [is/are] [●].
- (e) Related Exchange(s): [The Related Exchange(s) [is/are] [●]/[All Exchanges]
- (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 Warrants relating to a Basket*)]
- (g) Settlement Price: The Settlement Price will be calculated [*insert calculation method if different from Annex 2*].
- (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 subparagraphs of this paragraph*)
- (i) Knock-in Price: [*specify*]
- (ii) Knock-in Period Beginning Date: [*specify*]
- (iii) Knock-in Period Beginning Date Scheduled Trading Day: [Not Applicable/Applicable]

Convention:

- (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 subparagraphs 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: [Not Applicable/Applicable]

Period Ending  
Date Scheduled  
Trading Day  
Convention:

- (viii) Knock-out Valuation Time: [specify/See definition in Annex 1] [Relevant Time]
- (l) Cancellation of Extraordinary Event: on [As per Conditions/Not Applicable] of
21. GDR Warrants: [The provisions of Annex 3 (*Additional Terms and Conditions for GDR Warrants*) shall apply]<sup>13</sup>
22. Debt Warrants: [The provisions of Annex 4 (*Additional Terms and Conditions for Debt Warrants*) shall apply]
- (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 Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Warrants, [insert appropriate fallback provisions].
- (c) Exchange Business Day: "Exchange Business Day" means [●].
- (d) Relevant Time: [The relevant time is [●]].
23. Commodity Warrants: [The provisions of Annex 5 (*Additional Terms and Conditions for Commodity Warrants*) 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"]]

<sup>13</sup> For GDR Warrants complete sections for Share Warrants (paragraph 20) (completed and amended as appropriate) and GDR Warrants (paragraph 21).

*(If not applicable, delete the remaining subparagraphs 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 subparagraphs 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: [specify]

Day(s):

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

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

- (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]

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

- (a) Relevant Screen Page: [specify]



- (b) The relevant base [specify]  
currency (the **"Base  
Currency"**) is:
- (c) The relevant subject [specify]  
[currency/currencies]  
(each a **"Subject  
Currency"**) [is/are]:
- (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 subparagraphs of this paragraph)*
- (i) Knock-in Level: [specify]
- (ii) Knock-in Period [specify]  
Beginning Date:
- (iii) Knock-in [specify]  
Determination  
Period:
- (iv) Knock-in [specify]  
Determination  
Day(s):
- (v) Knock-in Period [specify]  
Ending Date:
- (vi) Knock-in [specify/See definition in Annex 7] [Relevant Time]  
Valuation 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 subparagraphs of this paragraph)*
- (i) Knock-out [specify]  
Level:
- (ii) Knock-out [specify]  
Period  
Beginning Date:
- (iii) Knock-out [specify]  
Determination  
Period:
- (iv) Knock-out [specify]

Determination  
Day(s):

- (v) Knock-out Period Ending Date: [specify]
- (vi) Knock-out Valuation Time: [specify/See definition in Annex 7] [Relevant Time]

*(N.B. Only Applicable in relation to Currency Warrants)*

26. Fund Warrants: [The provisions of Annex 8 (*Additional Terms and Conditions for Fund Warrants*) shall apply]
- (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 Publication Days: [specify]
- (g) Settlement Price: [specify]
- (h) Consequences of Extraordinary Fund Event: [specify]
- (i) Relevant Time: [The relevant time is [●].]
- (j) Additional Provisions: [specify]
27. Market Access Warrants: [The provisions of Annex [1/2/4]<sup>14</sup> (*Additional Terms and Conditions for [Index/Share/Debt Security] Warrants*) and Annex 9 (*Additional Terms and Conditions for Market Access Warrants*) shall apply]
- (a) [Share Amount/Debt Securities Amount]: [specify]
- (b) Market Access Warrant Condition 1 of Annex 9 (*Interim Payment Amount/Interim Coupon Amount*): [Applicable/Not Applicable]

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<sup>14</sup> For Market Access Warrants include relevant Annex and complete relevant section for Index/Share/Debt Security Warrants and include Annex 9 and complete paragraph 28 as appropriate.

The Coupon Payment Dates are [●]

- (c) Market Access Warrant Condition 2 (*Potential Adjustment Event*): [Applicable/Not Applicable]
- (d) Market Access Warrant Condition 3 (*Stock Dividends or Stock Distributions and Rights Issues*): [Applicable/Not Applicable]
- (e) Market Access Warrant Condition 4 (*Issuer's option following an Additional Disruption Event*): [Applicable/Not Applicable]
- (f) Market Access Warrant Condition 5 (*Regulatory Change Event*): [Applicable/Not Applicable]
- (g) Market Access Warrant Condition 6 (*Early Termination Event*): [Applicable/Not Applicable]
- (h) Market Access Warrant Condition 7 (*Additional Condition*): [Applicable/Not Applicable]
- (i) Market Access Warrant Condition 8 (*Early Exercise Event*): [Applicable/Not Applicable]

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

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

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

The Expected Listing Date is [●]

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

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

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

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing

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

[Loss of Stock Borrow]

[Analogous Event]

[Currency Event]

[Force Majeure Event]

[Jurisdiction Event]

[Failure to Deliver due to Illiquidity]

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

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

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

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

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

- (c) [Condition 16(B) (*Additional Definitions*) applicable.]
- (d) Cancellation on Occurrence of Additional Disruption Event: [As per Conditions/Not Applicable]

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

- 30. Units: Warrants must be exercised in Units. Each Unit consists of the number of Warrants set out in "Specific Provisions for each Series" above. *(N.B. This is in addition to any requirements relating to "Minimum Exercise Number" or "Maximum Exercise Number" as set out under "Provisions relating to Warrants" below).*
- 31. Minimum Exercise Number: The minimum number of Warrants that may exercised (including automatic exercise) on any day by any Holder is [●] [and Warrants may only be exercised (including automatic exercise) in integral multiples of [●] Warrants in excess thereof].
- 32. Maximum Exercise Number: The maximum number of Warrants that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is [●]. *(N.B. not applicable for European Style Warrants) [and therefore generally not available for VPC Warrants]*
- 33. Exercise Price(s): The exercise price(s) per [Warrant/Unit] (which may be subject to adjustment in accordance with Annex 2 in the case of Share Warrants and Annex 1 in the case of Index Warrants) is set out in "Specific Provisions for each Series" above. *(N.B. This should take into account any relevant Weighting and, in the case of an Index Warrant, must be expressed as a monetary value).*
- 34. Exercise Date: The exercise date of the Warrants is set out in "Specific Provisions for each Series" above, provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately succeeding Exercise Business Day. *(N.B. Only applicable in relation to European Style Warrants)*
- 35. Exercise Period: The exercise period in respect of the Warrants is set out in "Specific Provisions for each Series" above, [inclusive of the dates specified] [, or if either day specified is not an Exercise Business Day, the immediately succeeding Exercise Business Day]. *(N.B. Only applicable in relation to American Style Warrants)*
- 36. Valuation Date: *[N.B. specify for Commodity Warrants or if different from the definition in Condition 4.]*

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

## DISTRIBUTION AND US SALES ELIGIBILITY

43. Selling Restrictions: *[Insert any additional selling restrictions]*

- (a) Eligibility for sale of Warrants in the United States to AIs *(N.B. Only Warrants issued by BNPP can be so eligible)*: The Warrants are [not] eligible for sale in the United States to AIs.

*[Where Warrants are eligible for sale in the United States to AIs, include the following:*

- (i) the Warrants will be in the form of Private Placement Definitive Warrants;
- (ii) the Warrants may [not] be issued concurrently outside the United States to non-U.S. Persons [(such Warrants to be represented by a Regulation S Global Warrant)];
- (iii) the Warrants may [not] be transferred to QIBs *(N.B. Warrants may only be transferred to QIBs if eligible for sale to QIBs as provided in paragraph (ii) below)*;
- (iv) the Warrants may [not] be transferred to non-U.S. Persons;
- (v) the Warrants may [not] be transferred to AIs;

*[insert applicable U.S. selling restrictions and specify details of any transfer restrictions and any necessary certifications, if different from those set out in the Conditions (N.B. Such restrictions may be necessary, inter alia, in relation to Commodity Warrants)]; and*

*[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 Warrants in the United States to QIBs within the meaning of Rule 144a *(N.B. Only U.S. Warrants issued by BNPP can be so eligible)*: The Warrants are [not] eligible for sale in the United States under Rule 144A to QIBs.

*[Where Warrants are eligible for sale in the United States under Rule 144A to QIBs, include the following:*

- (i) The Rule 144A Global Warrant will be deposited with

[a custodian for DTC]/[a common depository on behalf of Clearstream, Luxembourg/Euroclear/Iberclear/other clearing system];

- (ii) The Warrants may [not] be issued concurrently outside the United States to non-U.S. Persons [(such Securities to be represented by a Regulation S Global Warrant)];
- (iii) The Warrants may [not] be transferred to QIBs;
- (iv) The Warrants may [not] be transferred to non-U.S. persons;
- (v) The Warrants may [not] be transferred to AIs (N.B. Warrants may only be transferred to AIs if eligible for sale to AIs as provided for in paragraph (a) above);
- (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 Warrants)]; 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)].]

44. Additional U.S. federal income tax consequences: [insert details]

45. Registered broker/dealer: [BNP Paribas Securities Corp./[specify other]<sup>15</sup> /[Not Applicable]]

46. Syndication: The Warrants will be distributed on a [non-]syndicated basis.  
(*If syndicated, specify names of the Managers*)

### **[Listing Application**

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

### **Responsibility**

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

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

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



As Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 9. Listing and Admission to trading:

[The Warrants are unlisted]/[Application will be made to list the Warrants on the Italian Stock Exchange and to admit the Warrants for trading described herein on the electronic "Securitized Derivatives Market" (the **SeDeX**), organised and managed by Bosa Italiana S.p.A.]/[Application has been made to list the Warrants on the Luxembourg Stock Exchange and to admit the Warrants for trading described herein on the "*Bourse de Luxembourg*" (the **Regulated Market**) of the Luxembourg Stock Exchange/Luxembourg Stock Exchange's EuroMTF Market]/[specify other exchange].

### 10. [Ratings

Ratings: The Warrants to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider, for example:

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

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

### 11. [Risk Factors

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

### 12. [Notification

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

**13. [Interests of Natural and Legal Persons Involved in the [Issue/Offer]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

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

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

[●]

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

Estimated net proceeds:

[●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

Estimated total expenses:

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

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

*[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained]<sup>17</sup>*

**16. Operational Information**

- (a) [Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme, Euroclear France, Iberclear, Monte Titoli, the relevant identification number(s) and in the case of VPC Warrants, the VPC Warrant Agent:
- [Not Applicable/ specify name(s) and number(s)]
- [VPC Warrant Agent:
- [Svenska Handelsbanken AB (publ)/other]
- Address: [ ]]

**17. [Terms and Conditions of the Public Offer]**

Conditions to which the offer is subject:

[●]

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

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>18</sup> [●]

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

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

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

*[For example:*

*"Legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities.*

*Any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts."*

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

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

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

Name and address of any paying agents and [●]

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

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

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

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:<sup>21</sup>

When the underwriting agreement has been or will be reached:

**19. [Form of Exercise Notice**

[  ]

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<sup>21</sup> See "Risk Factors — Potential Conflicts of Interest" in this Base Prospectus for further information.

**EXERCISE NOTICE**

(to be completed by the Holder of the Warrant)

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

[insert title of Warrants]

ISIN: [ ]

(the **Warrants**)

To: [Italian Warrant Agent]

[address]

Fax No:[ ]

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

[address]

Fax No:[ ]

We the undersigned Holder of the Warrants

\_\_\_\_\_

hereby

- (i) communicate that we are exercising the rights granted by the Warrants in accordance with the Terms and Conditions of the Warrants, as amended and/or supplemented by the applicable Final Terms (the **Warrant Terms**);
- (ii) confirm that Monte Titoli is irrevocably instructed to debit before the Settlement Date our securities account with the number of Warrants being hereby exercised and acknowledge that failure to give such instruction shall result in this Exercise Notice being null and void;
- (iii) confirm that we will pay all Exercise Expenses with regards the Warrants, and authorise the deduction of any amount in respect thereof from any Cash Settlement Amount due to us and/or to debit our account;
- (iv) acknowledge that expressions defined in the Warrant Terms shall bear the same meanings in this Exercise Notice;
- (v) understand that if this Exercise Notice is not completed and delivered as provided in the Warrant Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Warrant Agent) (in consultation with Monte Titoli), it will be treated as null and void;
- (vi) understand that if this Exercise Notice is subsequently corrected to the satisfaction of the Italian Warrant Agent, it will be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the Italian Warrant Agent;

- (vii) confirm that the beneficial owner of each Warrant being exercised is not a U.S. person, the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and,
- (viii) authorise that, if such certification is required in connection with any legal or administrative proceedings commenced or threatened in connection with any securities, commodities, tax or other laws of the United States of America, you may produce this Exercise Notice to any interested party in such proceedings.

Details of Holder(s)

Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

Fax No:[     ]

\_\_\_\_\_

Telephone No: [     ]

\_\_\_\_\_

Series No. of the Warrants:

\_\_\_\_\_

Number of Warrants/Units being exercised:

\_\_\_\_\_

Details of the securities account to be debited with the number of Warrants/Units being exercised:

\_\_\_\_\_

Details of the account to be credited with payment by the Issuer of the Cash Settlement Amount for each Warrant/Unit exercised:

\_\_\_\_\_

Place and date:

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Signature of the Holder

Name of beneficial owner of the Warrants

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signature]<sup>22</sup>

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<sup>22</sup> Insert in the case of Warrants listed on the Italian Stock Exchange.



20. [Form of Renouncement Notice

**RENOUNCEMENT NOTICE**  
(to be completed by the Holder of the Warrant)

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

[insert title of Warrants]

ISIN: [ ]

(the **Warrants**)

To: [Italian Warrant Agent]

[address]

Fax No:[ ]

Copy: **BNP Paribas Arbitrage Issuance B.V./BNP Paribas**

[address]

Fax No:[ ]

We the undersigned Holder of the Warrants

\_\_\_\_\_ hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Warrants in accordance with the Terms and Conditions of the Warrants, as amended and/or supplemented by the applicable Final Terms (the **Warrant Terms**).

Series No. of the Warrants:

\_\_\_\_\_

Number of Warrants the subject of this notice:

\_\_\_\_\_

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Warrant Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Warrant Agent), it will be treated as null and void.

If this Renouncement Notice is subsequently corrected to the satisfaction of the Italian Warrant Agent, it will be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Warrant Agent.

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

Place and date:

\_\_\_\_\_

Signature of the Holder

Name of beneficial owner of the Warrants

\_\_\_\_\_

\_\_\_\_\_

Signature]<sup>23</sup>

## 21. Declaration of Receipt of Fixed Terms

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

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

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

[Investor's signature]]<sup>24</sup>

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<sup>23</sup> Insert in the case of Warrants listed on the Italian Stock Exchange.

<sup>24</sup> Only applicable where the Warrants are offered to the public in Italy but are unlisted.

## FORM OF FINAL TERMS FOR CERTIFICATES

The form of Final Terms for Certificates set out on page 145 of the Base Prospectus 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>25</sup>
2. [Guarantor: BNP PARIBAS]

### SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Certificates issued	[No. of Certificates]	of ISIN <sup>26</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 Certificates/Fund Certificates/GDR Certificates/Debt Certificates/Currency Certificates<sup>27</sup> /Commodity Certificates<sup>28</sup> /Inflation Index Certificates<sup>29</sup> /Hybrid Certificates<sup>30</sup> /Fund Certificates<sup>31</sup> /Credit Linked Certificates<sup>32</sup> (specify other type of Certificates)].

[The Certificates are [Reverse Convertible

<sup>25</sup> Only BNP Paribas may issue U.S. Certificates.

<sup>26</sup> DTC: CUSIP – include for U.S. Certificates.

<sup>27</sup> Currency Certificates or Hybrid Securities containing a currency component cannot be U.S. Securities.

<sup>28</sup> Commodity Certificates or Hybrid Certificates containing a commodity component cannot be U.S. Securities.

<sup>29</sup> Inflation Index Certificates or Hybrid Certificates containing an inflation component cannot be U.S. Securities.

<sup>30</sup> Hybrid Certificates that contain a currency, commodity or inflation component cannot be U.S. Securities.

<sup>31</sup> Fund Certificates or Hybrid Certificates containing a fund component cannot be U.S. Securities.

<sup>32</sup> Credit Linked Certificates or Hybrid Certificates containing a fund component cannot be U.S. Securities.

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>33</sup>.

7. Form of Certificates: [Clearing System Global Certificate] [Dematerialised bearer form (*au porteur*)<sup>34</sup>] [Rule 144A Global Certificate] [Private Placement Definitive Certificate]<sup>35</sup> [Regulation S Global Certificate]<sup>35</sup> [VPC Certificates] [Dematerialised Italian 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 and Dematerialised Italian 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>36</sup> (N.B. *the Issuer's option to vary settlement is not applicable to VPC Certificates or Dematerialised Italian Certificates*)
- (b) Variation of Settlement of Physical Delivery Certificates: [Notwithstanding the fact that the Certificates are Physical Delivery Certificates, the Issuer may make payment of the Cash Settlement Amount on the Redemption Date and the provisions of Condition 7(C) will apply to the Certificates./The Issuer will procure delivery of the Entitlement in respect of the Certificates and the provisions of Condition 7(C) will not apply to the Certificates. Any Physical Delivery for U.S. Certificates must be made in compliance with the Securities Act and the Exchange Act.]
11. Relevant Asset(s): The relevant asset to which the Certificates relate [is/are] [●]. (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].]

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<sup>33</sup> 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).

<sup>34</sup> If French law-governed.

<sup>35</sup> If U.S. Certificates.

<sup>36</sup> Not applicable for U.S. Certificates, unless Physical Delivery can be in compliance with U.S. securities laws.

[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]*



Period:

- (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 subparagraphs 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 Redemption Event: Early [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
  - (i) Automatic Redemption Amount: Early [specify/See definition in Annex 1]
  - (ii) Automatic Redemption Date(s): Early [specify]
  - (iii) Business Convention: Day [specify]
  - (iv) Automatic Redemption Level: Early [specify]
  - (v) Automatic Redemption Rate: Early [specify]
  - (vi) Automatic Redemption Valuation Date(s): Early [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>39</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 subparagraphs of this paragraph)
- (i) Knock-in Price: [specify]
- (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]

<sup>39</sup>

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.

- (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 subparagraphs 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 Time: [*specify*/See definition in Annex 2] [Relevant Time]
- (l) 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 subparagraphs of this paragraph)*
- (i) Automatic Early Redemption Amount: [*specify*/See definition in Annex 2]
- (ii) Automatic Early Redemption Date(s): [*specify*]
- (iii) Business Day: [*specify*]

Convention:

(iv) Automatic Early Redemption Price: [specify]

(v) Automatic Early Redemption Rate: [specify]

(vi) Automatic Early Redemption Valuation Date(s): [specify]

(m) Redemption on Occurrence of Extraordinary Event: [As per Conditions/Not Applicable]

(n) Delayed Redemption on Occurrence of Extraordinary Event: [Not Applicable/Applicable]

23. GDR Certificates: [The provisions of Annex 3 (*Additional Terms and Conditions for GDR Certificates*) shall apply]<sup>40</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].

(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

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<sup>40</sup> For GDR Certificates complete sections for Share Certificates (paragraph 22) (completed and amended as appropriate) and GDR Certificates (paragraph 23).

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 subparagraphs 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 subparagraphs of this paragraph)*
- (i) Knock-out Level: [specify]
- (ii) Knock-out Period Beginning Date: [specify]
- (iii) Knock-out Determination: [specify]

- Period:
- (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 Redemption Event: Early [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Automatic Redemption Amount: Early [specify/See definition in Annex 5]
- (ii) Automatic Redemption Date(s): Early [specify]
- (iii) Business Day Convention [specify]
- (iv) Automatic Redemption: Early [specify]
- (v) Automatic Redemption Rate: Early [specify]
- (vi) Automatic Redemption Valuation Date(s): Early [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 subparagraphs 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 subparagraphs 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 [specify] Extraordinary Fund Event:
- (i) Relevant Time: [The relevant time is [●].]
- (j) Additional Provisions: [specify]
29. Market Access Certificates: [The provisions of Annex [1/2/4]<sup>41</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]
- (i) Market Access Certificate Condition 7 (*Additional Condition*): [Applicable/Not Applicable]

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<sup>41</sup> For Market Access Certificates include relevant Annex and complete relevant section for Index/Share/Debt Security Certificates and include Annex 9 and complete paragraph 30 as appropriate.

(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 subparagraphs of this paragraph)*

- (a) Interest Rate[s] [specify] percent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] ([including/excluding] on overdue amounts after Redemption Date or date set for early redemption):
- (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 subparagraphs 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 subparagraphs of this paragraph)*
- (a) Formula: *[specify]*
- (b) Party responsible for calculating interest: *[Calculation Agent/other]*
- (c) Provisions for determining *[specify]*

Interest Rate and Interest Amount where calculation by reference to formula is impossible or impracticable:

- (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 subparagraphs 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 subparagraphs 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 The Certificates are [not] eligible for sale in the United

Certificates in the United States to AIs.  
States to AIs (*N.B. Only Certificates issued by BNPP can be so eligible*):

[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 consequences: [insert details]

47. Registered broker/dealer: [BNP Paribas Securities Corp./[specify other]<sup>42</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.]

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

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<sup>42</sup> If U.S. Certificates.

As Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 22. 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 "Securitized 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].

### 23. [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.)]

### 24. [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.]]

### 25. [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)].

**26. [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."

**27. [Reasons for the Offer, Estimated Net Proceeds and Total Expenses]<sup>43</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]]

**28. 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].*

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<sup>43</sup> Disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.



[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:

**31. [Placing and Underwriting]<sup>46</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:

**32. Yield**

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

**33. [Form of Renouncement Notice**

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<sup>46</sup>

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: [Italian Certificate Agent]

[address]

Fax No:[ ]

Copy: [**BNP Paribas Arbitrage Issuance B.V./BNP Paribas**]

[address]

Fax No:[ ]

We the undersigned Holder of the Certificates

\_\_\_\_\_

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**).

Series No. 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 Italian Certificate Agent), it will be treated as null and void.

If this Renouncement Notice is subsequently corrected to the satisfaction of the Italian Certificate Agent, it will be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to 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 Holder

Name of beneficial owner of the Certificates

\_\_\_\_\_

\_\_\_\_\_

Signature]<sup>47</sup>

**34. [Form of Declaration of Receipt of Fixed Terms**

[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>48</sup>

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<sup>47</sup> Insert in the case of Italian Listed Certificates.

<sup>48</sup> Only applicable where the Certificates are offered to the public in Italy but are unlisted.



## **ITALIAN TAXATION**

The following Italian taxation section shall be replace the existing Italian Taxation on page 296 of the Base Prospectus:

The following is a summary of current Italian law and practise relating to the taxation of the Warrants and Certificates (the Securities). The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Legislative Decree No. 344 of 12 December 2003 published in the Italian Official Gazette of 16 December 2003 No. 261 (Ordinary Supplement No. 190), effective as of 1 January 2004 introduced the reform of taxation of corporations and of certain financial income amending the Italian Income Taxes Consolidated Code.

Legislative Decree No. 247 of 19 November 2005 (known as the Correttivo IRES) published in the Italian Official Gazette No. 280 of 1 December 2005, amended Decree No. 344 on certain provisions related to the taxation of corporations and of certain financial income.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

In the near future, the Italian Government could be authorised by the Parliament to introduce amendments to the income tax regime of capital gains and financial income, which may impact upon the tax regime of the Securities.

### **Italian taxation of Securities**

Pursuant to Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Securities are subject to a 12.5% substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

- (a) 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.

- (b) 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.
- (c) 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% 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%

The 27% withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Certificate and to an Italian resident holder of the Certificate which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

### **Payments made by a non resident Guarantor**

With respect to payments made to Italian resident Securityholders by a non Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non resident guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

## **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

### **Implementation in Italy of the EU Savings Directive**

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (Decree No. 84). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian paying agents (i.e. banks, società di intermediazione mobiliare (SIM), fiduciary companies, società di gestione del risparmio (SGR) resident for tax purposes in Italy, Italian permanent establishments of non-Italian resident persons and any other Italian entity paying interest for professional or business reasons) shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

## OFFERING AND SALE

The following selling restriction shall replace the Italian selling restriction set out on page 321 of the Offering and Sale section of the Base Prospectus:

### Republic of Italy

To the extent that the offering of the Securities has not been registered, and 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 (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and the relevant implementing CONSOB regulations, as amended from time to time, and in Article 2 of Directive No. 2003/71/EC of 4 November 2003; or
- (b) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the 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. 16190 of 29 October 2007 (as amended from time to time) 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 or other Italian authority.

*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.*