



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

Secured Warrant and Certificate Supplement

This document constitutes a supplement within the meaning of Article 16 of Directive 2003/71/EC.

This document (the "**Secured Warrant and Certificate Supplement**") is supplemental to, and should be read in conjunction with the base prospectus of the Warrant and Certificate Programme of the Issuer dated 3 June 2010 (the "**Base Prospectus**") and the First Supplement dated 18 August 2010, the Second Supplement dated 10 September 2010, the Third Supplement dated 19 November 2010, the Fourth Supplement dated 24 February 2011 and the Fifth Supplement dated 24 March 2011, (when taken together with this Secured Warrant and Certificate Supplement, the "**Supplements**" and each a "**Supplement**") in relation to the programme for the issuance of Warrants and Certificates of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**") (the "**Programme**"). Any reference to the "**Base Prospectus**" shall, unless the context indicates otherwise, be to such Base Prospectus as supplemented by the Supplements and this Secured Warrant and Certificate Supplement. If terms described in this Secured Warrant and Certificate Supplement are different or inconsistent with those described in the Base Prospectus, the terms described herein will supersede. Terms used but not defined herein will have the meanings ascribed to them in the Base Prospectus.

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 Secured Warrant and Certificate 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.

This Secured Warrant and Certificate Supplement has been produced for the purposes of disclosing the additional terms which will apply to certain Securities to be issued by BNPP B.V. and which will be secured by certain collateral ("**Secured Securities**").

Under the terms of the Programme and the Base Prospectus, each of the Issuers may from time to time issue Warrants or Certificates. Certain Securities to be issued by BNPP B.V. will be Secured Securities and will be issued on the terms set out in the Base Prospectus and in this Secured Warrant and Certificate Supplement (the "**Collateral Security Conditions**" and, in each case, in accordance with the relevant Final Terms). Securities issued by BNPP will not be secured and the terms of the Secured Warrant and Certificate Supplement will not apply thereto. **The terms of this Secured Warrant and Certificate Supplement will only apply to those Securities where the Final Terms in respect of such Securities make reference to this Secured Warrant and Certificate Supplement.**

An investor in Secured Securities should read this Secured Warrant and Certificate Supplement together with the Base Prospectus and the relevant Final Terms in respect of any Secured Securities as such documents contain the terms of the Secured Securities and supersede all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of the Issuers.

Secured Warrants and Certificates issued by BNPP B.V. pursuant to this Secured Warrant and Certificate Supplement and the Base Prospectus will be governed by English law or French law as specified in the relevant Final Terms and will be guaranteed by the Guarantor pursuant to, in the case of English law Secured Securities, a Deed of Guarantee for Secured Securities in the manner set out in such Deed of Guarantee for Secured Securities (the form of which is set out herein) or, in the case of French law Secured Securities, pursuant to a French Law Guarantee for Secured Securities in the manner set out in such French Law Guarantee for Secured Securities. The Deed of Guarantee and French Law Guarantee set out in the Base Prospectus will not apply to Secured Securities.

Investors who have already agreed to purchase or subscribe for Warrants or Certificates pursuant to the Programme before this Secured Warrant and Certificate Supplement is published, have the right, exercisable within two working days after the publication of this Secured Warrant and Certificate Supplement, to withdraw their acceptances.

Copies of this Secured Warrant and Certificate Supplement, the Supplements, the Base Prospectus and the documents incorporated by reference thereto are available at the office of BNP Paribas Securities Services, Luxembourg Branch, 33 rue de Gasperich, Howald-Hesperange, L-2085 Luxembourg and BNP Paribas Arbitrage S.N.C., 8 rue de Sofia, 75018 Paris, France. Copies of this Secured Warrant and Certificate Supplement, the Supplements, and the Base Prospectus are also available for viewing on the website of Netherlands Authority for the Financial Markets' (*Autoriteit Financiële Markten* – AFM) website (www.afm.nl).

Prospective purchasers of Secured Securities should ensure that they understand the nature of the relevant Secured Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Secured Securities as an investment in the light of their own circumstances and financial condition. Secured Securities may involve a high degree of risk and potential investors should be

prepared to sustain a substantial or total loss of the purchase price of their Secured Securities if the investment performs poorly. See "Additional Risk Factors" on pages 5 to 12 herein and pages 18 to 49 of the Base Prospectus.

The Secured Securities will constitute unconditional liabilities of BNPP B.V. and the Guarantee will constitute an obligation of the Guarantor.

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

The delivery of this Secured Warrant and Certificate Supplement does not at any time imply that the information contained herein or in the Base Prospectus or the Supplements thereto concerning BNPP B.V. or BNPP is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.

TABLE OF CONTENTS

AMENDMENT TO SUMMARY	4
ADDITIONAL RISK FACTORS	5
SECURITY AND COLLATERAL.....	13
DESCRIPTION OF THE COLLATERAL ASSETS	17
AMENDMENT TO FINAL TERMS.....	17
COLLATERAL ANNEX.....	20
FORM OF THE ENGLISH LAW GUARANTEE FOR SECURED SECURITIES.....	48
FORM OF THE FRENCH LAW GUARANTEE FOR SECURED SECURITIES	52

AMENDMENT TO SUMMARY

The following shall be deemed to have been added to the Summary after the second paragraph of the section entitled "Status of the Securities and Guarantee" on page 17 of the Base Prospectus:

"Where Securities are specified in the applicable Final Terms to be Secured Securities, the Securities are unsubordinated and secured obligations of BNPP B.V. and rank *pari passu* amongst themselves. In respect of Secured Securities, BNPP B.V. will grant a security interest in favour of the Collateral Agent on behalf of itself and the relevant Holders over assets (such assets, the "**Collateral Assets**") held in accounts with a custodian or bank (each a "**Collateral Account**"). One or more series of Secured Securities may be secured by the same pool of Collateral Assets (each a "**Collateral Pool**"). The Collateral Assets in a Collateral Pool must consist of Eligible Collateral and may be comprised of a cash deposit, any debt securities, equity securities and/or shares, units or other interests in a Collective Investment Scheme, or other assets as specified in the applicable Final Terms. The applicable Final Terms will specify the Collateral Assets which comprise the Collateral Pool(s) for the series of Secured Securities and whether or not the Issuer will provide collateral in respect of the nominal value of the relevant Secured Securities ("**Nominal Value Collateralisation**") or in respect of part of the nominal value of the relevant Secured Securities ("**Partial Nominal Value Collateralisation**") or in respect of the marked to market value of the Secured Securities ("**MTM Collateralisation**") or in respect of part of the marked to market value of the Secured Securities ("**Partial MTM Collateralisation**").

Following the realisation, or enforcement, of the security with respect to a Collateral Pool if the amount paid to Holders in respect of a series of Secured Securities is less than the amount payable in respect of such Secured Securities following such realisation or enforcement, such shortfall shall be irrevocably guaranteed by BNPP. Certain series of Secured Securities may provide that on enforcement of the security interest with respect to a Collateral Pool, the Collateral Assets or the value realised for the Collateral Assets will be delivered to the Holders rather than sold and no shortfall will be calculated."

ADDITIONAL RISK FACTORS

Prospective purchasers of Secured Securities should consider carefully, among other things and in light of their financial circumstances and investment objectives, all of the information in this Secured Warrant and Certificate Supplement, the Base Prospectus, the relevant Final Terms and, in particular, the risk factors set forth below and in the Base Prospectus (as amended herein) (which in BNPP B.V.'s reasonable opinion, together represent or may represent the risk factors known to it which may affect BNPP B.V.'s ability to fulfil its obligations under the Secured Securities) in making an investment decision. Investors may lose the value of their entire investment in certain circumstances.

BNPP B.V. has no control over a number of matters, including economic, financial, regulatory, geographic, judicial and political events, that are important in determining the existence, magnitude, and longevity of these risks and their influence on the value of, or the payments made on, the Secured Securities. An investor should not purchase the Secured Securities unless he or she understands and can bear these investment risks.

Shortfall on Realisation of Collateral Pool

The security provided for a series of Secured Securities is limited to the Collateral Pool applicable to such series. Such Collateral Pool may be shared by a number of series of Secured Securities where so specified in the applicable Final Terms. The value realised for the Collateral Assets in the relevant Collateral Pool may be insufficient to pay the Security Termination Amount in respect of the relevant series of Secured Securities, in which case a "**Shortfall**" will be deemed to occur unless otherwise specified in the applicable Final Terms or Physical Delivery of Collateral is applicable. In the event of the insolvency of the Issuer and the Guarantor, investors may lose all or a substantial portion of their investment as the Guarantor may not be in a position to pay all or part of any Shortfall.

Adjustments to Collateral Pool where the Collateral Assets are securities

Unless specified otherwise in the applicable Final Terms, where the Collateral Assets for a Collateral Pool are comprised of securities, BNP Paribas Arbitrage S.N.C. (or such other party specified in the applicable Final Terms) (the "**Collateral Calculation Agent**") will calculate the marked to market value of the Secured Securities (where MTM Collateralisation or Partial MTM Collateralisation is applicable) and the marked to market value of the Collateral Assets in a Collateral Pool (taking into account all factors which the Collateral Calculation Agent deems relevant) on such periodic basis as is specified in the applicable Final Terms in respect of the relevant Collateral Pool, provided that no account will be taken of the financial condition of (i) the Issuer which shall be presumed to be able to perform fully its obligations under the Secured Securities or (ii) the Guarantor which shall be presumed to be able to perform fully its obligations under the Guarantee. Unless the applicable Final Terms specify that there will be no adjustments to the amount of Collateral Assets or that there are to be no such valuation dates, in the event that on the date of valuation (the "**Collateral Valuation Date**") there is a difference between (a) the marked to market value of the Collateral Assets in a Collateral Pool (the "**Collateral Value**") and (b) the sum of, in respect of each series of Secured Securities secured by the relevant Collateral Pool, the marked to market value of such Secured Securities (where MTM Collateralisation is applicable to a series of Secured Securities), a part of the marked to market value of such Secured Securities (where Partial MTM Collateralisation is applicable to a series of Secured Securities) and the aggregate nominal value of such Secured Securities (where Nominal Value Collateralisation is applicable to a series of Secured Securities) or a part of the aggregate nominal value of such Secured Securities (where Partial Nominal Value Collateralisation is applicable to a series of Secured Securities) (the "**Securities Value**"), the Issuer will procure that further assets are delivered to the Collateral Account (or substitute existing Collateral Assets with Collateral Assets with a greater value) if the value of the Collateral Assets is less than the Securities Value or will be entitled to remove Collateral Assets from the Collateral Account if the Collateral Value is in excess of the Securities Value prior to such adjustment. Following any such adjustment in respect of Collateral

Assets on any Collateral Valuation Date, the Collateral Value is expected to be equal to the Securities Value prior to such adjustment. Investors, nevertheless, will be exposed to the difference between the marked to market value (or part thereof) or nominal value (or part thereof), as the case may be, of the Secured Securities and the marked to market value of the Collateral Assets prior to any such adjustment.

In the event that the Issuer is required to deliver additional Collateral Assets or alternative Collateral Assets, the Issuer shall do so as soon as practicable following the relevant Collateral Valuation Date. There may be a delay between the Collateral Valuation Date and the date on which the Issuer is able to deliver such additional or alternative Collateral Assets and investors will be exposed to the difference between the fair market value or nominal value (or part thereof, if applicable), as the case may be, of the Secured Securities and the fair market value of the Collateral Assets during such period.

Where Nominal Value Collateralisation or Partial Nominal Value Collateralisation applies to a series of Securities, there is likely to be a difference between the marked to market value of the Secured Securities and the marked to market value of the Collateral Assets in the relevant Collateral Pool. As a consequence, if the security created under the relevant Pledge Agreement is enforced, the amounts available for distribution by the Collateral Agent in respect of a series of Securities to which Nominal Value Collateralisation or Partial Nominal Value Collateralisation applied may be less than the Security Termination Amount payable in respect of each such Secured Security, where such Security Termination Amount is calculated by reference to the marked to market value of such Secured Securities, due to the fact that only the nominal value or part thereof in respect of the relevant Secured Securities is intended to be secured by the relevant Collateral Pool.

Adjustments to Collateral Pool where the Collateral Asset is a cash deposit

Unless specified otherwise in the applicable Final Terms, where the Collateral Asset for a Collateral Pool is comprised of a cash deposit, the Collateral Calculation Agent will calculate the marked to market value of the Secured Securities (where MTM Collateralisation or Partial MTM Collateralisation is applicable) (taking into account all factors which the Collateral Calculation Agent deems relevant) on such periodic basis as is specified in the applicable Final Terms provided that no account will be taken of the financial condition of (i) the Issuer which shall be presumed to be able to perform fully its obligations under the Secured Securities or (ii) the Guarantor which shall be presumed to be able to perform its obligations under the Guarantee. Any cash deposit will not be valued on a Collateral Valuation Date. Unless the applicable Final Terms specify that there will be no adjustments to the amount of Collateral Assets or that there are no Collateral Valuation Dates, in the event that on a Collateral Valuation Date, there is a difference between the amount of cash standing to the credit of the Collateral Account (the "**Deposit Amount**") and the relevant Securities Value, the Issuer will procure that further cash is deposited into the relevant Collateral Account if the Deposit Amount is less than the Securities Value or will be entitled to withdraw cash from the Collateral Account if the Deposit Amount is in excess of the Securities Value prior to such adjustment. Following any such adjustment to the Deposit Amount on any Collateral Valuation Date, the Deposit Amount is expected to be equal to the Securities Value. Investors, nevertheless, will be exposed to the difference between the marked to market value (or part thereof) where MTM Collateralisation or Partial MTM Collateralisation is applicable for the Secured Securities and the Deposit Amount prior to such adjustment.

No adjustments to a Collateral Pool

In respect of certain series of Securities, the Final Terms may specify that there will be no Collateral Calculation Agent and/or Collateral Valuation Dates, in which case there will be no adjustments to the Collateral Assets in the Collateral Pool during the life of the relevant Secured Securities. In this case, if the security is enforced, the

proceeds of enforcement that a Holder will receive may not be equal to the market value of the Secured Security which it holds.

Potential Conflicts of Interest between the Investors and the Collateral Calculation Agent

As the Collateral Calculation Agent is an affiliate of the Issuer and the Guarantor, potential conflicts of interest may arise between the Collateral Calculation Agent and the holders of the Secured Securities, including with respect to the making of certain determinations and the exercise of certain discretions (including as to the value of the Secured Securities and the Collateral Assets) in accordance with the terms of the Amended and Restated Agency Agreement. The Collateral Calculation Agent is obliged to carry out its duties and functions as Collateral Calculation Agent in good faith and using its reasonable judgment. Furthermore, the Collateral Calculation Agent does not and will not act as a fiduciary or as an advisor to the Holders in respect of its duties as Collateral Calculation Agent.

Collateral Management and Collateral Agent

BNPP B.V. may appoint one or more agents to perform custodial and administrative functions relating to the Collateral Assets (each a "**Collateral Custodian**"). It is expected that the initial Collateral Custodian will be BNP Paribas Securities Services, Luxembourg Branch. A failure by any agent to perform its duties and obligations with respect to the Collateral Assets, or the occurrence of any adverse event in relation to those entities, may adversely affect the availability of the Collateral Assets, and consequently adversely affect the realisation of the Collateral Assets. BNPP B.V. will also appoint an agent (the "**Collateral Agent**") which will enforce the security under the Pledge Agreements upon the occurrence of an Enforcement Event and liquidate or realise the Collateral Assets in each Collateral Pool or appoint an agent to do so on its behalf. It is expected that the initial Collateral Agent will be BNP Paribas Trust Corporation UK Limited. A failure by the Collateral Agent to perform its obligations with respect to the Collateral Assets will adversely affect the realisation of the Collateral Assets. Furthermore, the Collateral Agent does not and will not act as a fiduciary or as an advisor to the Holders in respect of its duties as Collateral Agent and does not act as a trustee for the Holders. No trustee will be appointed in respect of the Secured Securities.

Fluctuations in the value of the Collateral Assets

The Collateral Assets may be subject to fluctuations in value. Investors should note that the Collateral Assets may suffer a fall in value between the time at which the Pledge Agreements become enforceable and the time at which the Collateral Assets are realised in full. In extraordinary circumstances, the Collateral Assets available at the time at which the Pledge Agreements become enforceable could completely lose their value by the time of the realisation.

"Haircut" applied to Collateral Assets

A haircut is the percentage by which the market value of a Collateral Asset is discounted and is designed to mitigate potential depreciation in value of the relevant Collateral Asset in the period between the last valuation of the Collateral Asset and the realisation of such Collateral Asset, such period being known as the 'cure period' or 'holding period'. The haircut should account for the expected volatility of an instrument and discount its value by an amount that reflects the expected maximum price movement within the cure or holding period. The length of this period will be subjectively determined by the Collateral Calculation Agent and reflects the likely length of time that a Collateral Asset would be held before realisation occurs, taking into consideration factors such as contractual timings, the time required for internal decision-making and any legally-mandated stay period. The Final Terms will specify whether or not a haircut applies to a Collateral Pool but will not provide any further information as to the level of any haircut applied to the Collateral Assets in any Collateral Pool. Since the volatility of the value of a

Collateral Asset may change through time, haircuts applied to the Collateral Assets may become outdated and may not provide suitable protection against a Shortfall.

Lack of diversification of the Collateral Assets

The selection of the Collateral Assets will be at the discretion of BNPP B.V. provided that such Collateral Assets must be Eligible Collateral. Investors should note that if "Limited Diversification" is specified as being "Applicable" in the applicable Final Terms, the Collateral Assets in a Collateral Pool with which the Secured Securities are secured may be limited to one or a few assets. Such low diversification may increase the risk that the proceeds of realisation of the Collateral Assets may be less than the sums due to the relevant Holders under the relevant Secured Securities as Holders may be exposed potentially to greater market risk on particular Collateral Assets and the amount recovered in respect of the Collateral Assets on their sale will be dependent on the then current market value of a smaller number of Collateral Assets.

Cross Default

Following the occurrence of an Enforcement Event in respect of any Collateral Pool, the Collateral Agent will realise the Collateral Assets for all Collateral Pools or will cause such Collateral Assets to be realised. Where the Collateral Assets are securities, liquidation of all the Collateral Assets simultaneously may increase the risk that the proceeds of realisation of the Collateral Assets may be less than the sums due to the relevant Holders under the relevant Secured Securities because liquidation of all the Collateral Assets in the Collateral Pools at the same time could potentially lead to a reduction in the market value of some or all of the Collateral Assets.

Risk of a delay in the realisation of the Collateral Assets in the event of the insolvency of the Issuer

In the event of the insolvency of BNPP B.V., the realisation of the Collateral Assets may be delayed either by the insolvency administrator appointed in relation to BNPP B.V. or by measures ordered by a competent court. Such delay could adversely affect the position of the Holders in the event of depreciation of the value of the Collateral Assets during such delay. In addition, as the Collateral Agent and BNPP B.V. are part of the Group, in the event of the insolvency of BNPP B.V., it is also possible that the Collateral Agent may be insolvent. Such circumstances may lead to an inability to realise the Collateral Assets and/or a delay in the realisation of the Collateral Assets but the Collateral Assets will not form part of the Collateral Agent's estate. The Agency Agreement will contain provisions permitting the replacement of the Collateral Agent in certain circumstances, including upon the insolvency of the Collateral Agent.

Illiquid Collateral Assets

The Collateral Assets in some Collateral Pools may comprise assets which are not admitted to any public trading market and may therefore be illiquid and not readily realisable. Where there is limited liquidity in the secondary market relating to Collateral Assets, the Collateral Agent (or its agent) may not be able to sell such Collateral Assets to a third party and distribute the net proceeds to Holders. As a result, Holders may not receive payments in respect of their Secured Securities until such Collateral Assets mature or are redeemed in accordance with their terms. The maturity date of such Collateral Assets may be after the date of redemption or termination of the relevant Secured Securities.

Collateral Pools Securing Multiple Series of Securities

A number of series of Secured Securities may be secured by the same Collateral Pool. Notwithstanding the fact that the value of Collateral Assets in a Collateral Pool may be determined by reference to the market value, part of the

market value or the nominal value or part of the nominal value of the relevant Secured Securities, it is possible that, where more than one series of Secured Securities is secured by the same Collateral Pool, the value of the Collateral Assets in a Collateral Pool may not reflect the relevant Securities Value of a particular series of Secured Securities (or the aggregate Securities Value of the series of Secured Securities secured by the relevant Collateral Pool) as accurately as if the Collateral Assets in a Collateral Pool were held in respect of a single series of Secured Securities only.

Failure to comply with Collateral Obligations

If a number of series of Secured Securities are secured by the same Collateral Pool and if BNPP B.V. were to fail to comply with its obligations (where applicable) to make adjustments to the Collateral Assets in a Collateral Pool following a Collateral Valuation Date, Holders of Secured Securities may be exposed to fluctuations in the marked to market value of other series of Secured Securities which are secured by the same Collateral Pool where MTM Collateralisation or Partial MTM Collateralisation is applicable to such other series of Secured Securities. In such circumstances, if the marked to market value of such other series of Secured Securities to which MTM Collateralisation or Partial MTM Collateralisation applies increases (such Secured Securities, "**Increased MTM Securities**") prior to the Collateral Valuation Date immediately preceding the occurrence of an Enforcement Event and additional Collateral Assets (or alternative Collateral Assets with a higher value) have not been delivered to the relevant Collateral Account by BNPP B.V., a lower Aggregate Collateral Proceeds Share upon enforcement of the relevant Pledge Agreement will be determined in respect of series of Secured Securities whose marked to market value has not increased to the same extent, or to which Nominal Value Collateralisation or Partial Nominal Value Collateralisation applies (such Secured Securities, "**Affected Securities**"), than would have been the case if such Affected Securities were not secured by the same Collateral Pool as the Increased MTM Securities with the result that the proceeds of realisation of the Collateral Assets available to be distributed to the Holders of Affected Securities will be reduced.

Nature of security

The security granted by BNPP B.V. under the Pledge Agreements is a security interest over the accounts in which the Collateral Assets are held and does not extend to any interest or distributions paid on such Collateral Assets (to the extent such amounts are not held in the relevant Collateral Accounts). Unless specified otherwise in the applicable Final Terms, no security interest will be granted by BNPP B.V. over any of its rights under any agreement (including, without limitation, any swap agreement or repurchase agreement) under which it acquires any Collateral Assets or its rights against the Collateral Custodian. This means that the Collateral Agent will have no ability to compel BNPP B.V. to enforce its rights (or to enforce such rights on behalf of BNPP B.V.) against a Repo Counterparty or Swap Counterparty, other counterparty or the Collateral Custodian whereas, if the Collateral Agent did have such rights, this could lead potentially to additional sums being available to pay amounts due in respect of the Secured Securities.

In addition, or as an alternative, to a Luxembourg law governed pledge agreement, the security interest granted by BNPP B.V. in respect of the Collateral Assets in a Collateral Pool may take a different form and may be governed by a different governing law, all as specified in the applicable Final Terms. References in these Risk Factors to a "Pledge Agreement" shall be construed accordingly as a reference to the applicable security arrangement entered into by BNPP B.V. in respect of a Collateral Pool, unless the context requires otherwise.

Enforcement of the security

Following delivery of a Default Notification by a Holder in respect of the occurrence of an Event of Default, the Collateral Agent is only obliged to deliver an Enforcement Notice and enforce the Pledges if BNPP B.V. has not delivered a notice prior to the end of the Dispute Period specifying that it reasonably believes that the Events of Default referred to in the relevant Default Notification have not occurred, together with reasonable evidence supporting BNPP B.V.'s belief. Although BNPP B.V. must have a reasonable belief that no Event of Default has occurred and provide reasonable evidence supporting such belief, any delivery of such a notice by BNPP B.V. may mean that the security in respect of the Secured Securities is not enforced or that there will be a delay between the service of the Default Notification and the enforcement of the Pledge(s). The Collateral Agent is not obliged to deliver an Enforcement Notice or enforce the Pledge(s) or take any other action if it reasonably believes that it would not be able to recover its costs or other liabilities which would be incurred in connection with such action from the relevant Collateral Assets or otherwise or would experience an unreasonable delay in doing so.

Early redemption or cancellation at the option of the Issuer upon an Increased Cost of Collateral Assets or Collateral Disruption

In addition to the risks relating to Additional Disruption Events described in the Base Prospectus, further Additional Disruption Events will apply to Secured Securities which may increase the possibility of the Secured Securities being redeemed or cancelled early. These further Additional Disruption Events are Increased Cost of Collateral Assets and Collateral Disruption. In the event that BNPP B.V. and/or any of its affiliates (i) would incur materially increased costs (as compared with the circumstances existing on the Trade Date relating to the relevant Secured Securities) in acquiring, borrowing or disposing of Collateral Assets or establishing, maintaining or unwinding any transaction entered into by BNPP B.V. and/or any of its affiliates relating to the Collateral Assets or (ii) are unable, after using commercially reasonable efforts, to (a) acquire, establish, unwind or dispose of any transaction(s) or assets or any futures or option contracts it deems necessary to obtain Collateral Assets; or (b) freely realise, recover, receive, or transfer the proceeds of any such transaction(s), assets(s) or futures or option contract(s) or any relevant hedge positions relating to the Collateral Assets (including without limitation as a result of adverse market conditions or a lack of liquidity in the market), BNPP B.V. may in its sole and absolute discretion redeem or cancel, as applicable, all of the relevant Secured Securities.

Early redemption or cancellation at the option of the Issuer upon a Collateral Asset Default

Where Collateral Asset Default is specified to be an Optional Additional Disruption Event in respect of a series of Secured Securities, Holders of such Secured Securities will be exposed to the credit risk of the Collateral Assets in the relevant Collateral Pool as well as the credit risk of BNPP B.V. and the Guarantor and, for the avoidance of doubt, upon the occurrence of such Optional Additional Disruption Event, no Shortfall will be determined. Where such Optional Additional Disruption Event occurs and the Collateral Assets become due and payable prior to their stated maturity date other than by reason of default in payment, Holders will receive a share of the redemption proceeds received by BNPP B.V. in respect of such Collateral Assets in satisfaction of BNPP B.V.'s obligations in respect of the relevant Secured Securities. If the Collateral Assets become due and payable prior to their stated maturity date by reason of default in payment, Holders will receive a share of the proceeds of sale of the Collateral Assets or, if so specified in the applicable Final Terms, Collateral Assets will be delivered to the Holders in satisfaction of BNPP B.V.'s obligations in respect of the relevant Secured Securities.

Subordination of Holders to payment of expenses and other payments

On enforcement of the Pledge Agreements, the rights of the Holders to be paid amounts from the proceeds of such enforcement and realisation of the Collateral Assets may be subordinate to (i) any fees and expenses incurred in such enforcement and realisation of the Collateral Assets and (ii) if a Priority of Payments is specified in the applicable Final Terms, prior rights of the parties identified in such Priority of Payments (which may, without limitation, include the Swap Counterparty and/or Repo Counterparty) to be paid amounts due from the Issuer in priority to the Holders from the proceeds of such enforcement and realisation of the Collateral Assets. Such amounts which may be paid in priority may include, without limitation, termination payments due from BNPP B.V. to the Repo Counterparty under any Repurchase Agreement entered into with respect to such series of Secured Securities and/or termination payments due from BNPP B.V. to the Swap Counterparty under any Swap Agreement entered into with respect to such series of Secured Securities. The degree of subordination of the rights of the Holders may have an impact on the amount received by a Holder in the event of enforcement of the security.

Physical Delivery of Collateral

If Physical Delivery of Collateral is specified in respect of a series of Secured Securities upon enforcement of the Pledge Agreement, the Collateral Agent will not sell the Collateral Assets (unless there is a Collateral Settlement Disruption Event) but will deliver the Collateral Assets in the manner set out in the Collateral Security Conditions. In such cases there will be no Security Termination Amount and no Shortfall calculated.

Collateral Settlement Disruption Event

When Physical Delivery of Collateral is applicable, if a Collateral Settlement Disruption Event occurs or exists on the Collateral Delivery Date, settlement will be postponed until the next Business Day on which there is no Collateral Settlement Disruption Event. If such Collateral Settlement Disruption Event continues for a period of not more than eight Business Days after the original Collateral Delivery Date, the Collateral Agent will procure the sale of such Collateral Assets in lieu of delivery of the Entitlement. The amount received by a Holder following such sale of Collateral Assets may be lower than the amount which a Holder would have received if the relevant Collateral Assets had been delivered to it and the Holder held the relevant Collateral Assets to the maturity date of such assets or sold such assets at a different point in time.

Scope of guarantee

The guarantee in respect of Secured Securities provided by BNPP is in respect of BNPP B.V.'s obligation to pay a Shortfall only and does not extend to any obligation of BNPP B.V. to deliver any securities or pay any other amount and is therefore more limited in scope than the guarantee provided by BNPP in respect of Securities which are not Secured Securities.

Collateral Security Credit Certificates

The risk factors set out in the Base Prospectus relating to Credit Securities shall also apply to Collateral Security Credit Certificates and, for such purpose, any reference in those risk factors to Credit Securities and Credit Certificates shall be deemed to be a reference to Collateral Security Credit Certificates.

Amendments to Risk Factors set out in the Base Prospectus in respect of Secured Securities

The risk factor set out on page 18 of the Base Prospectus entitled "Risk Factors Relating to BNPP B.V." shall be deleted and replaced with the following:

"Risk Factors Relating to BNPP B.V.

BNPP B.V. is not an operating company. BNPP B.V.'s sole business is the raising and borrowing of money by issuing Securities (including Secured Securities) or other obligations. BNPP B.V. has, and will have, no assets other than OTC contracts, cash and fees payable to it, or other assets acquired by it, in each case in connection with the issue of Securities or entry into other obligations from time to time. The net proceeds from each issue of Secured Securities issued by the Issuer will become part of the general funds of BNPP B.V. BNPP B.V. may use such proceeds to maintain positions in options or futures contracts or other hedging instruments ("**Hedging Agreements**") and/or to acquire Collateral Assets. The ability of BNPP B.V. to meet its obligations under Secured Securities issued by it will depend on the receipt by it of payments under the relevant Hedging Agreements. Consequently, BNPP B.V. is exposed to the ability of counterparties in respect of such Hedging Agreements to perform their obligations under such Hedging Agreements. Secured Securities sold in the United States or to U.S. Persons may be subject to transfer restrictions."

Investors should note that the risk factor set out on page 20 of the Base Prospectus entitled "*Securities are Unsecured Obligations*" does not apply to Secured Securities.

SECURITY AND COLLATERAL

The following shall apply to Secured Securities and, in respect of such Secured Securities shall be deemed to have been added to the Base Prospectus after the section entitled "General Description of the Programme".

General

In order to secure its obligations in respect of the Secured Securities, the Issuer will enter into one or more pledge agreements and/or other security arrangements with, among others, BNP Paribas Trust Corporation UK Limited which will, unless otherwise specified in the applicable Final Terms, be governed by Luxembourg law (each a "**Security Agreement**"). Under the Security Agreement, the Issuer will grant first ranking security over securities accounts or cash accounts (each a "**Collateral Account**") held by the Issuer with BNP Paribas Securities Services, Luxembourg Branch or such other custodian or account bank as is specified for the relevant Collateral Pool in the applicable Final Terms (each a "**Collateral Custodian**") in favour of BNP Paribas Trust Corporation UK Limited (the "**Collateral Agent**") on behalf of itself and the relevant Holders. In each Collateral Account, the Issuer will hold sufficient securities or cash which, upon delivery to the relevant Collateral Account, are Eligible Collateral (the "**Collateral Assets**") to secure the marked to market value of the relevant Secured Securities ("**MTM Collateralisation**") or a specified proportion of the marked to market value of the relevant Secured Securities ("**Partial MTM Collateralisation**") or alternatively (and only where the relevant Secured Securities are Certificates) to secure the nominal value of such Secured Securities ("**Nominal Value Collateralisation**") or to secure part of the nominal value of such Secured Securities ("**Partial Nominal Value Collateralisation**"). Whether or not MTM Collateralisation, Partial MTM Collateralisation, Nominal Value Collateralisation or Partial Nominal Value Collateralisation is applicable to a series of Secured Securities will be specified in the applicable Final Terms. Multiple series of Secured Securities may be secured by the Collateral Assets held in a single Collateral Account (each a "**Collateral Pool**") if so specified in the relevant Final Terms.

Adjustments to Collateral Pool where the Collateral Assets are securities

Unless specified otherwise in the applicable Final Terms, where the Collateral Assets are securities, on such periodic basis as is specified in the applicable Final Terms (each a "**Collateral Valuation Date**"), BNP Paribas Arbitrage S.N.C (or such other party specified in the applicable Final Terms) (the "**Collateral Calculation Agent**") will determine (a) the marked to market value of the Collateral Assets in a Collateral Pool (the "**Collateral Value**") and (b)(i) the sum of, in respect of each series of Secured Securities secured by the relevant Collateral Pool, the marked to market value of such Secured Securities (where MTM Collateralisation is applicable to a series of Secured Securities) or part of the marked to market value of such Secured Securities (where Partial MTM Collateralisation is applicable to a series of Secured Securities) and (ii) where Nominal Value Collateralisation or Partial Nominal Value Collateralisation is applicable to a series of Secured Securities, the aggregate nominal value or part of the aggregate nominal value of the relevant Secured Securities (the "**Securities Value**"). When determining the Collateral Value in respect of Collateral Assets in a Collateral Pool, the Collateral Calculation Agent may, if so specified in the applicable Final Terms, apply a "haircut" (being a percentage by which the market value of a Collateral Asset is discounted) which is designed to mitigate the depreciation in value of the relevant Collateral Asset in the period between the last valuation of the Collateral Asset and the realisation of such Collateral Asset. When determining the Securities Value on the basis of the marked to market value of the Secured Securities (or part of such marked to market value), the Collateral Calculation Agent shall take no account of the financial condition of (a) the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Secured Securities or (b) the Guarantor which shall be presumed to be able to perform fully its obligations in respect of the Guarantee. Unless the applicable Final Terms specify that there will be no adjustments to the amount of Collateral Assets or that

there are no Collateral Valuation Dates, in the event that on a Collateral Valuation Date there is a difference between the Collateral Value and the applicable Securities Value, the Issuer will procure that further assets are delivered to the Collateral Account (or substitute existing Collateral Assets with Collateral Assets with a greater value) if the value of the Collateral Assets is less than the Securities Value prior to such adjustment or will be entitled to remove Collateral Assets from the Collateral Account if the Collateral Value is in excess of the Securities Value prior to such adjustment. Following such adjustment in respect of Collateral Assets on any Collateral Valuation Date, the Collateral Value is expected to be equal to the Securities Value.

Adjustments to Collateral Pool where the Collateral Asset is a cash deposit

Where the Collateral Asset is a cash deposit, on each Collateral Valuation Date (if any) the Collateral Calculation Agent will determine only the Securities Value. When determining the Securities Value on the basis of the marked to market value of the Secured Securities (or part of such marked to market value), the Collateral Calculation Agent shall take no account of the financial condition of (a) the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Secured Securities or (b) the Guarantor which shall be presumed to be able to perform fully its obligations in respect of the Guarantee. Unless the applicable Final Terms specify that there will be no adjustments to the amount of Collateral Assets or that there are no Collateral Valuation Dates, in the event that on a Collateral Valuation Date there is a difference between the amount of cash standing to the credit of the Collateral Account (the "**Deposit Amount**") and the applicable Securities Value, the Issuer will procure that further cash is deposited in the Collateral Account if the Deposit Amount is below the Securities Value prior to such adjustment or will be entitled to withdraw cash from the Collateral Account if the Deposit Amount is in excess of the Securities Value prior to such adjustment. Following such adjustment in respect of Collateral Assets on any Collateral Valuation Date, the Deposit Amount is expected to be equal to the Securities Value.

Delivery of Collateral Assets

In the event that the Issuer is required to deliver or deposit additional Collateral Assets or alternative Collateral Assets in the Collateral Account, the Issuer shall do so as soon as practicable following the relevant Collateral Valuation Date.

Calculations

The Collateral Agent will not be required to calculate or check the valuation of the relevant Secured Securities or the Collateral Assets prior to the enforcement of the Security Agreements. In connection with the distribution of the realisation proceeds from the Collateral Assets, the Collateral Agent may be required to determine the Security Termination Amount due in respect of each Secured Security and the Final Security Value in respect of such Secured Security. The Collateral Agent will determine the Final Security Value of a Secured Security on the basis of information obtained from the Collateral Calculation Agent.

The Final Terms applicable to a series of Secured Securities may specify that there are no Collateral Valuation Dates and that there will be no Collateral Calculation Agent in which case the Collateral Assets in a Collateral Pool will not be subject to adjustment as described above following their initial deposit in or delivery to the relevant Collateral Account.

Substitutions

In the period between Collateral Valuation Dates, the Issuer may withdraw Collateral Assets from any Collateral Account but only if it replaces them with alternative Collateral Assets which have at least the same marked to

market value (as of the previous Collateral Valuation Date) as those being replaced (where MTM Collateralisation or Partial MTM Collateralisation is applicable) or, where Collateral Assets have been provided in an amount equal to the nominal value of the relevant Secured Securities, the same nominal amount as those being replaced (where Nominal Value Collateralisation or Partial Nominal Value Collateralisation is applicable and where there are no Collateral Valuation Dates).

Enforcement

Upon receipt of a notice from a Holder that an Event of Default has occurred (a "**Default Notification**"), the Issuer may deliver a notice to the Collateral Agent and the relevant Holder stating that, in its reasonable belief, the relevant Event of Default has not occurred (such a notice, an "**Event Dispute Notice**"). If the Collateral Agent does not receive an Event Dispute Notice at or prior to the end of the Dispute Period, the Collateral Agent will deliver a notice to the Issuer, the Collateral Calculation Agent and the Holders that an Event of Default has occurred (an "**Enforcement Notice**"). Following delivery of an Enforcement Notice, the Collateral Agent will enforce the Security Agreement(s) in accordance with the terms thereof and will liquidate or realise the Collateral Assets in all the Collateral Pools, or appoint an agent to do so on its behalf save where Physical Delivery of Collateral is specified as applicable, to the Collateral Pool which secures a series of Secured Securities. In accordance with the terms of the Secured Securities, the Collateral Agent will distribute the proceeds of the liquidation or realisation of a Collateral Pool to the Holders of the Secured Securities secured by such Collateral Pool or, where Physical Delivery of Collateral is specified as applicable, arrange for delivery of the Collateral Assets in the relevant Collateral Pool to the relevant Holders, in each case after payment of any costs and fees incurred in connection with the enforcement of the Security Agreement and, where applicable, after payment of any amount which is payable in priority thereto in accordance with the applicable priority of payments if a Priority of Payments is set out in the applicable Final Terms. The Collateral Assets in one Collateral Pool and the proceeds of enforcement from that Collateral Pool (if any) will not be available to satisfy amounts due in respect of any Secured Securities which are not secured by that Collateral Pool.

Acquisition of Collateral Assets

The Issuer may acquire the Collateral Assets in a number of ways including by entering into repurchase agreements or swap agreements or any other agreements with BNP Paribas Arbitrage S.N.C., BNP Paribas or any other affiliate of the Issuer or such other entities as it deems appropriate from time to time.

Swap Agreement

In connection with one or more series of Secured Securities, the Issuer may enter into a swap agreement with a counterparty which may be BNP Paribas Arbitrage S.N.C., BNP Paribas or any other affiliate of the Issuer or such other entities as it deems appropriate from time to time (the "**Swap Counterparty**") evidenced by a 1992 ISDA Master Agreement and Schedule or a 2002 ISDA Master Agreement and Schedule thereto together with the confirmation entered into by the Issuer and the Swap Counterparty in respect of the relevant series of Secured Securities (a "**Swap Agreement**").

The purpose of the Swap Agreement is to allow the Issuer to perform its scheduled obligations under the relevant Secured Securities. The Swap Agreement may provide that the Issuer will pay to the Swap Counterparty the proceeds of issue of the Secured Securities which are to be secured by the Collateral Pool. Over the term of the relevant Secured Securities, upon scheduled settlement or redemption of the Secured Securities and, upon the early redemption or cancellation of the Secured Securities other than following an Event of Default, the Swap Counterparty will make payments or delivery of assets to the Issuer which correspond to those which the Issuer is

scheduled to make under the relevant Secured Securities. If the Swap Counterparty's obligations under the Swap Agreement are to be collateralised, the Swap Agreement will be supplemented by a 1995 ISDA Credit Support Annex (Bilateral Form - Transfer) (the "CSA").

CSA

Under the terms of the CSA, until the redemption or exercise of the relevant Secured Securities the Swap Counterparty shall deliver to the Issuer, the initial Collateral Assets and from time to time, as applicable additional Collateral Assets. The Issuer shall re-deliver Collateral Assets to the Swap Counterparty, if applicable, on the basis of the Securities Value and Collateral Value. The CSA will include provisions governing the calculation of the Securities Value and the Collateral Value in respect of the relevant Secured Securities. The Swap Counterparty may at its sole discretion substitute the Collateral Assets for other Eligible Collateral. The Issuer may appoint one or more agents to perform custodial and administrative functions relating to its obligations under the CSA.

Repurchase Agreement

In connection with one or more series of Secured Securities, the Issuer may enter into a repurchase agreement (a "**Repurchase Agreement**") with a counterparty which may be BNP Paribas Arbitrage S.N.C., BNP Paribas or any other affiliate of the Issuer (the "**Repo Counterparty**"). The Repurchase Agreement may be substantially in the form of a 2000 TBMA/ISMA Global Master Repurchase Agreement, a "Convention Cadre FBF aux opérations de pensions livrées", each as amended, supplemented or otherwise modified from time to time, or any other agreement having a similar effect. Pursuant to the Repurchase Agreement, the Issuer may enter into a series of repurchase transactions (each a "**Transaction**") with the Repo Counterparty in respect of Collateral Assets. Under each such Transaction, the Repo Counterparty will be the seller of Collateral Assets and the Issuer will be the buyer.

Under a Repurchase Agreement entered into in respect of a series of Secured Securities, on the initial purchase date and each subsequent purchase date the Issuer will purchase from the Repo Counterparty Collateral Assets with a market value equal to the outstanding aggregate nominal value of the relevant Secured Securities (or part of such nominal value if Partial Nominal Value Collateralisation is applicable). On each repurchase date under such Repurchase Agreement, the Repo Counterparty will repurchase securities equivalent to the Collateral Assets sold by it in relation to such Collateral Pool on the previous purchase date for a repurchase price at least equal to the purchase price for that Transaction.

Margin maintenance

The market value of the Collateral Assets which are the subject of the current Transaction under each Repurchase Agreement will be determined on each Collateral Valuation Date. The Repurchase Agreement will provide that the Repo Counterparty will transfer further Collateral Assets and, as applicable, the Issuer shall re-deliver Collateral Assets to the Repo Counterparty on the basis of the applicable Securities Value and the Collateral Value. The Repo Counterparty may at its sole discretion substitute the Collateral Assets for other Eligible Collateral.

AMENDMENT TO FINAL TERMS

The following amendments shall be made to the form of Final Terms set out on page 57 of the Base Prospectus in respect of Secured Securities only:

- (i) The following shall be added at the end of Part A of the Final Terms:

"PROVISIONS RELATING TO COLLATERAL AND SECURITY.

40. Collateral Security Conditions: Annex 12 (Collateral Security Conditions) will apply
- (a) Collateral Pool: [Specify]
- (b) Type of Collateral Pool: [Single Series Pool/Multiple Series Pool]
- (c) Initial Collateral Assets: [Specify]/[See table in Part B for a description of the characteristics applicable for assets to constitute Initial Collateral Assets]/[Not Applicable]
- (d) Eligible Collateral: [Specify]/[See table in Part B for a description of the characteristics applicable for assets to constitute Eligible Collateral] [Cash denominated in an Eligible Currency [Eligible Currency(ies)-[]] [specify eligible currencies if Eligible Collateral consists of cash]
- (e) Type of collateralisation: [MTM Collateralisation] / [Partial MTM Collateralisation] / [Nominal Value Collateralisation] / [Partial Nominal Value Collateralisation] [NB - Nominal Value Collateralisation and Partial Nominal Value Collateralisation may only be applicable for Certificates] [- Partial Collateralisation Level is equal to [specify]][NB - where Partial MTM Collateralisation or Partial Nominal Value Collateralisation is applicable, specify level]
- (f) Haircut [Applicable/Not Applicable]
- (g) Security Termination Amount: [Security Value Termination Amount]/ [Realisation Proceeds]/ [Nominal Value Amount]/ [Physical Delivery of Collateral]/ [specify]
- (h) Priority of Payments: [Not Applicable]/[specify] [NB Only applicable where the relevant Collateral Pool secures a single series of Secured Securities]
- (i) Additional or Alternative Security Agreement(s): [None] / [Specify details including governing law]
- (j) Limited Diversification: [Applicable/Not Applicable]
- (k) Collateral Valuation Dates: [Specify] / [None]
- (l) Collateral Calculation Agent: [BNP Paribas Arbitrage S.N.C.] / [BNP Paribas] / [specify] / [Not

- Applicable]
- (m) Collateral Custodian: [BNP Paribas Securities Services, Luxembourg Branch] / *[specify]*
- (n) Collateral Agent: [BNP Paribas Trust Corporation UK Limited] / *[specify]*
- (o) Swap Agreement: [Applicable/Not Applicable]
- (p) Swap Counterparty: [BNP Paribas Arbitrage S.N.C.] / [BNP Paribas] [Not Applicable]/
[specify]
- (q) Repurchase Agreement: [Applicable/Not Applicable]
- (r) Repo Counterparty: [BNP Paribas Arbitrage S.N.C.] / [BNP Paribas] [Not
Applicable]/*[specify]*
- (s) Terms for realisation of Collateral Assets if different from as set out in
Collateral Security Conditions: *[Specify]*/ [Not Applicable]
- (t) Collateral Asset Default: [Applicable]/[Not Applicable]/[Collateral Physical Settlement:
[Applicable/Not Applicable]] *[NB Delete Collateral Physical Settlement if Collateral Asset Default is Not Applicable]**[specify Collateral Early Settlement Amount if other than as specified in Collateral Security Condition 7.3]*[Disruption Cash Settlement Price: *specify if Collateral Physical Settlement is applicable]*
- (u) Collateral Security Credit Certificates: [Collateral Security Condition 8 is applicable and the Secured Securities are Collateral Security Credit Certificates]/[Not Applicable] *[If not applicable delete the remaining sub paragraphs of this paragraph]*
- (i) Redemption Date: *[Specify]*
- (ii) Reference Entity: *[Specify]*
- (iii) Terms relating to Settlement: [As per Collateral Security Condition 8]/*[Specify variations or additions to Collateral Security Condition 8]*
- (iv) Accrual of Interest upon Credit Event: [As per Collateral Security condition 8.3(a)(A)]/[As per Collateral Security Condition 8.3(a)(B)]/[Not Applicable]
- (v) Other terms or special conditions: *[Specify]*/[Not Applicable]
- (v) Other terms or special conditions: *[Specify]"*

(ii) The following may be inserted at the end of Part B of the Final Terms:

"15. Description of Collateral Assets

Assets meeting the criteria in the table set out below under the headings "Eligible Collateral" and "Other information" shall constitute Eligible Collateral:

	<i>Eligible Collateral¹</i>	<i>Other information</i>
[(A)]	[A pool of] [D]/d]ebt securities [issued and guaranteed by [] with a minimum eligible rating of [specify] whose issuer or guarantor must be incorporated in [specify] and which must be traded on [specify relevant regulated markets]	
[(B)]	A pool of equity securities with a minimum eligible rating of [specify] the issuer or guarantor of which must be incorporated in [specify] and which must be traded on [specify relevant regulated markets]	
[(C)]	A pool of shares, units or interests in Collective Investment Schemes the issuer of which must be incorporated in [specify], the regulatory authority of which must be [specify] and which have minimum assets under management of [specify]	
[(D)]	Cash deposit denominated in [specify currency] (the "Eligible Currency")	
[(E)]	[Specify details of other Collateral Assets where applicable]	

"

¹ Delete as applicable

COLLATERAL ANNEX

The following text shall be deemed to have been added to the Base Prospectus after the end of Annex 11 (Additional Terms and Conditions for Credit Securities):

"ANNEX 12

ADDITIONAL TERMS AND CONDITIONS FOR SECURED SECURITIES

The terms and conditions applicable to Secured Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and such other additional Terms and Conditions specified in the Final Terms (the "**Additional Conditions**") and the additional Terms and Conditions set out below (the "**Collateral Security 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, the Additional Conditions and the Collateral Security Conditions, the Collateral Security Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions, the Additional Conditions and/or the Collateral Security Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. DEFINITIONS

"**Additional Security Document**" means any security document which is entered into by the Issuer in respect of a Collateral Pool in addition to a Pledge Agreement.

"**Aggregate Collateral Proceeds Share**" means, in respect of a series of Secured Securities, the product of the Collateral Proceeds Percentage applicable to such series of Secured Securities and the Realisation Amount in respect of the Collateral Pool which secures such series of Secured Securities;

"**Aggregate Final Security Value**" means, in respect of a series of Securities, the aggregate of the Final Security Values of each Secured Security in such series of Secured Securities;

"**Alternative Security Document**" means any security document which is entered into by the Issuer in respect of a Collateral Pool as an alternative to a Pledge Agreement;

"**Collateral Account**" has the meaning given to it in Collateral Security Condition 3.2;

"**Collateral Agent**" means BNP Paribas Trust Corporation UK Limited, or such other entity as is specified in the applicable Final Terms, and, if applicable, any sub-agent of, or any other entity appointed by the Collateral Agent;

"**Collateral Assets**" means any Eligible Collateral, including any Initial Collateral Assets specified in the applicable Final Terms (if any) and any Eligible Collateral delivered to the Collateral Custodian as additional or alternative Collateral Assets, together with, in each case, any accrued interest, redemption proceeds, income or other assets derived from such Eligible Collateral to the extent held in the relevant Collateral Account but shall not include any Collateral Assets which have been withdrawn from a Collateral Account in accordance with the relevant Pledge Agreement and the Agency Agreement;

"**Collateral Calculation Agent**" means BNP Paribas Arbitrage S.N.C. or such other entity specified in the applicable Final Terms;

"Collateral Custodian" means BNP Paribas Securities Services, Luxembourg Branch or such other entity as is specified in the applicable Final Terms, and, if applicable, any sub-custodian of, or any other entity appointed by the Collateral Custodian;

"Collateral Delivery Date" means, in respect of a Collateral Pool, the date scheduled by the Collateral Agent to be the date on which the Collateral Agent intends to deliver the Collateral Assets in such Collateral Pool to Holders in accordance with Collateral Security Condition 3.6;

"Collateral Early Settlement Amount" has the meaning given to it in Collateral Security Condition 7.3;

"Collateral Enforcement Proceeds" means the net proceeds of realisation of, or enforcement with respect to, the Collateral Assets in a Collateral Pool following payment of all Enforcement Expenses;

"Collateral Pool" means a pool of Collateral Assets (including a cash deposit) held in a Collateral Account which secure one or more series of Secured Securities as specified in the applicable Final Terms;

"Collateral Proceeds Percentage" means, in respect of a series of Secured Securities, the amount (expressed as a percentage) equal to Aggregate Final Security Value applicable to such series of Secured Securities divided by the Pool Aggregate Final Security Value applicable to the Collateral Pool which secures such series of Secured Securities;

"Collateral Proceeds Share" means, in respect of a series of Secured Securities, a Secured Security in such series' *pro rata* share of the Aggregate Collateral Proceeds Share applicable to such series of Secured Securities;

"Collateral Settlement Disruption Event" means due to an event beyond the control of the Collateral Agent, the Collateral Agent determines it is impossible or illegal for the Collateral Agent to deliver the relevant Entitlement to a Holder on the related Collateral Delivery Date due to failure of the relevant clearance system or due to any law, regulation, court order or market conditions;

"Collateral Security Credit Certificate" means a Certificate in respect of which the Final Terms specify that Collateral Security Condition 8 will apply;

"Collateral Valuation Date" means a date on which the Collateral Calculation Agent determines the marked to market value of the Collateral Assets in the relevant Collateral Pool and, if MTM Collateralisation or Partial MTM Collateralisation is specified in the applicable Final Terms, the marked to market value of the relevant Secured Securities, on such periodic basis as is specified in the applicable Final Terms;

"Collective Investment Scheme" means any scheme or arrangement made or offered by any company, under which the contributions or payments made by investors are pooled and utilised with a view to receiving profits, income, property or other benefit and managed on behalf of investors;

"Default Notification" means the delivery of a written notice by a Holder to each of the Issuer, the Principal Security Agent, the Collateral Agent, the Swap Counterparty (if any) and the Repo Counterparty (if any) specifying that an Event of Default has occurred in accordance with Collateral Security Condition 6.1;

"Dispute Period" means the period commencing on the day on which the Collateral Agent receives a Default Notification and ending at 5:00 pm (Paris time) on the fifth Business Day following such receipt;

"Eligible Collateral" means assets which may comprise a cash deposit, bonds or notes listed on a regulated market, shares listed on a regulated market, shares, units or other interests in a Collective Investment Scheme and/or other assets of the type or types specified as such in the applicable Final Terms and which are specified in the applicable Final Terms to be Eligible Collateral for the relevant Collateral Pool;

"Enforcement Event" means the delivery of an Enforcement Notice by the Collateral Agent to each of the Issuer, the Principal Security Agent, the Collateral Custodian, the Swap Counterparty (if any) and Repo Counterparty (if any);

"Enforcement Expenses" means all amounts due to the Collateral Agent and/or any appointee or agent thereof, including any costs, expenses and taxes incurred in connection with the realisation of, or enforcement with respect to the Collateral Assets in a Collateral Pool and distribution of such proceeds and/or, where applicable, delivery of Collateral Assets to the Holders of the related Secured Securities and any other unpaid amounts payable to the Collateral Agent by the Issuer under the Agency Agreement;

"Enforcement Notice" means a notice specifying that a Default Notification has been received from a Holder and no Event Dispute Notice has been received from the Issuer within the Dispute Period with respect to such Default Notification and that, as a result, the Secured Securities are immediately due and payable;

"Event Dispute Notice" means a notice from the Issuer to the Collateral Agent following receipt of a Default Notification specifying that the Issuer reasonably believes that the Event(s) of Default which are the subject of such Default Notification have not occurred, together with reasonable evidence supporting the Issuer's belief (including a description in reasonable detail of the facts relevant to the determination that an Event of Default has not occurred);

"Final Security Value" means, in respect of a Secured Security (a) if MTM Collateralisation is specified as applicable in the Final Terms relating thereto, the marked to market value of the relevant Secured Security, as determined for the purposes of Collateral Security Condition 3.2 as at the Collateral Valuation Date for the relevant Collateral Pool immediately prior to the occurrence of the Enforcement Event, (b) if Partial MTM Collateralisation is specified as applicable in the Final Terms relating thereto, the product of (i) the marked to market value of the relevant Secured Security, as determined for the purposes of Collateral Security Condition 3.2 as at the Collateral Valuation Date for the relevant Collateral Pool immediately prior to the occurrence of the Enforcement Event and (ii) the Partial Collateralisation Level applicable to the relevant series of Secured Securities, (c) if Nominal Value Collateralisation is specified as applicable in the Final Terms relating thereto, the relevant Secured Security's nominal value or (d) if Partial Nominal Value Collateralisation is specified as applicable in the applicable Final Terms relating thereto, the product of (i) the nominal value of such Secured Security and (ii) the Partial Collateralisation Level applicable to the relevant series of Secured Securities;

"Haircut" means a percentage by which the market value of a Collateral Asset is discounted to mitigate possible depreciation in the value of the relevant Collateral Asset in the period between the last valuation of such Collateral Asset and the realisation of such Collateral Asset.

"Initial Collateral Assets" has the meaning given to it in the applicable Final Terms;

"Limited Diversification" means, where specified to be applicable in the applicable Final Terms, that the Collateral Assets within the relevant Collateral Pool are not diversified;

"nominal value" means, in respect of any Secured Security which is a Certificate, the Notional Amount of such Secured Security or, where such Secured Security is a Debt Security, its Nominal Amount;

"Partial Collateralisation Level" means the percentage specified as such in the applicable Final Terms;

"Pledge" means the Security Interests created, or intended to be created at any time in favour of the Collateral Agent on behalf of the relevant Holders under the Pledge Agreement relating to a Collateral Pool;

"Pledge Agreement" is as defined in Collateral Security Condition 3.2;

"Pool Aggregate Final Security Value" means, in respect of a Collateral Pool, the aggregate of the Final Security Values of each Secured Security which is secured by such Collateral Pool;

"Priority of Payments" means, in respect of a series of Secured Securities and if specified as applicable in the Final Terms relating thereto, the order of priority in which payments will be made using the Collateral Enforcement Proceeds in respect of such series of Secured Securities, as set out in the applicable Final Terms;

"Realisation Amount" means the net proceeds of realisation of, or enforcement with respect to, the Collateral Assets in a Collateral Pool following payment of all Enforcement Expenses and, where applicable, following payment of any amount which is payable in priority to amounts due in respect of the Secured Securities which are secured by such Collateral Pool in accordance with the Priority of Payments;

"Relevant Settlement Amount" means Cash Settlement Amount, Optional Redemption Amount, Collateral Early Settlement Amount or Credit Event Redemption Amount, as the case may be;

"Relevant Settlement Date" means Cash Settlement Date, Optional Redemption Date or Settlement Date, as the case may be;

"Repayable Assets" has the meaning given to it in Collateral Security Condition 7.2;

"Security Interests" means any pledge, other encumbrance or security interest created under a Pledge Agreement;

"Security Realised Amount" is as defined in Collateral Security Condition 3.5;

"Security Termination Amount" means, in respect of a Secured Security, an amount determined by the Collateral Agent equal to (a) if Security Value Termination Amount is specified in the applicable Final Terms, the marked to market value of such Secured Security (taking into account all factors which the Collateral Agent determines relevant) immediately prior to the occurrence of an Enforcement Event, provided that no account shall be taken of the financial condition of (i) the Issuer which shall be deemed to be able to perform fully its obligations in respect of the Secured Securities or (ii) the Guarantor which shall be deemed to be able to perform fully its obligations in respect of the Guarantee and provided further that where the relevant Secured Security is one to which Cash Settlement is applicable and was a Secured Security in respect of which the Relevant Settlement Date is due to occur on or prior to the date on which the Enforcement Event occurred, the marked to market value of the Secured Security may not be less than

the Relevant Settlement Amount payable in respect thereof, (b) if Realisation Proceeds is specified in the applicable Final Terms, such Secured Security's *pro rata* share of the Realisation Amount, (c) if Nominal Value Amount is specified in the applicable Final Terms and such Secured Security is a Certificate, the lower of (i) such Security's *pro rata* share of the Realisation Amount and (ii) the nominal value of such Secured Security or (d) the amount specified as such in the Final Terms applicable to such Secured Security;

"**Shortfall**" is as defined in Collateral Security Condition 3.5; and

"**Undeliverable Collateral Assets**" means Collateral Assets which the Collateral Agent is unable to deliver in accordance with Collateral Security Condition 3.6 due to the occurrence of a Collateral Settlement Disruption Event.

2. GENERAL

2.1 Collateral Calculation Agent

BNP Paribas Arbitrage S.N.C. shall undertake the duties of Collateral Calculation Agent in respect of the Secured Securities as set out below and in the applicable Final Terms unless another entity is so specified as collateral calculation agent in the applicable Final Terms. The expression "Collateral Calculation Agent" shall, in relation to the relevant Secured Securities, include such other specified collateral calculation agent.

2.2 Collateral Agent

BNP Paribas Trust Corporation UK Limited shall undertake the duties of Collateral Agent in respect of the Secured Securities as set out below and in the applicable Final Terms unless another entity is so specified as collateral agent in the applicable Final Terms. The expression "Collateral Agent" shall, in relation to the relevant Secured Securities, include such other specified collateral agent.

2.3 Pledge Agreement

The Pledge Agreement will, unless otherwise specified in the applicable Final Terms, be governed by Luxembourg law and General Conditions 14.1 and 14.2 shall be construed accordingly. Any Alternative Security Document or Additional Security Document will be governed by the law specified in the applicable Final Terms.

3. STATUS OF THE SECURED SECURITIES, SECURITY AND GUARANTEE

3.1 Status

General Condition 3 shall not apply to the Secured Securities. The Secured Securities are unsubordinated and secured obligations of the Issuer and rank *pari passu* among themselves.

3.2 Security

The obligations of the Issuer in respect of the Secured Securities will be secured by one or more pledge agreements between the Issuer and the Collateral Agent (each a "**Pledge Agreement**") pursuant to which the Issuer will grant a first ranking security interest in favour of the Collateral Agent, for itself and on

behalf of the Holders of the Secured Securities which are to be secured by the relevant Collateral Pool, over all the Issuer's rights in, and, to the Collateral Assets delivered to the Collateral Custodian and held from time to time in the relevant account established with the Collateral Custodian for such purpose (the "**Collateral Account**"). In addition to, or as an alternative to, a Pledge Agreement, the Issuer may also enter into an Additional Security Document or Alternative Security Document in respect of a Collateral Pool as specified in the applicable Final Terms in order to secure its obligations in respect of the Secured Securities and references in Collateral Security Condition 1 and hereinafter to "Pledge Agreement" and "Pledges" shall be construed as if they also refer to such Alternative Security Documents and/or Additional Security Documents. Unless the applicable Final Terms specify that there is no Collateral Calculation Agent and/or no Collateral Valuation Dates in respect of a series of Secured Securities and related Collateral Pool:

- (a) where the Collateral Assets are securities, the Issuer will transfer Collateral Assets to and from the Collateral Account (based on the most recent valuation provided by the Collateral Calculation Agent in respect of a Collateral Valuation Date) so that it will hold, in respect of a Collateral Pool, Collateral Assets with an aggregate marked to market value (as determined by the Collateral Calculation Agent and which will take into account a Haircut if "Haircut" is specified as applicable in the applicable Final Terms) at least equal to the sum of, in respect of each series of Secured Securities secured by the same Collateral Pool (i) the marked to market value of the Secured Securities where MTM Collateralisation is specified in the applicable Final Terms as applicable to such series of Secured Securities, (ii) the product of (A) the marked to market value of the Secured Securities and (B) the relevant Partial Collateralisation Level where Partial MTM Collateralisation is specified in the applicable Final Terms as applicable to such series of Secured Securities, (iii) the aggregate nominal value of the Secured Securities if such Secured Securities are Certificates and where Nominal Value Collateralisation is specified in the applicable Final Terms as applicable to such series of Secured Securities and (iv) the product of (A) the aggregate nominal value of the Secured Securities and (B) the relevant Partial Collateralisation Level if such Secured Securities are Certificates and where Partial Nominal Value Collateralisation is specified in the applicable Final Terms as applicable to such series of Secured Securities; and
- (b) where the Collateral Assets are a cash deposit or deposits, the Issuer will transfer Collateral Assets to and from the Collateral Account (based on the most recent valuation of the relevant Secured Security provided by a Collateral Calculation Agent in respect of a Collateral Valuation Date) so that it will hold, in respect of a Collateral Pool, Collateral Assets in an amount at least equal to the sum of, in respect of each series of Secured Securities secured by the same Collateral Pool (a) the marked to market value of the Secured Securities where MTM Collateralisation is specified in the applicable Final Terms as applicable to such series of Secured Securities, (b) the product of (i) the marked to market value of the Secured Securities and (ii) the relevant Partial Collateralisation Level where Partial MTM Collateralisation is specified in the applicable Final Terms as applicable to such series of Secured Securities, (c) the aggregate nominal value of the Secured Securities if such Secured Securities are Certificates and where Nominal Value Collateralisation is specified in the applicable Final Terms as applicable to such series of Secured Securities and (d) the product of (i) the aggregate nominal value of the Secured Securities and (ii) the relevant Partial Collateralisation Level if such Secured Securities are Certificates and where Partial Nominal Value Collateralisation is specified in the applicable Final Terms as applicable to such series of Secured Securities.

Where the Final Terms in respect of a series of Secured Securities specify that "Single Series Pool" will be applicable to the series of Secured Securities, such series of Secured Securities will be the only series of Secured Securities to be secured by the relevant Collateral Pool. Where the Final Terms specify that "Multiple Series Pool" will be applicable to the relevant series of Secured Securities, such series of Secured Securities may be secured by a Collateral Pool which secures more than one series of Secured Securities.

3.3 **Realisation of Collateral Assets**

If an Enforcement Event occurs, the Collateral Agent shall enforce the Pledge(s) and, unless Physical Delivery of Collateral is specified as applicable in the applicable Final Terms, realise the Collateral Assets in each Collateral Pool (and may appoint one or more agents to assist it to do so) provided that the Collateral Agent need not take such action if it reasonably believes that it would not be able to recover the costs or other liabilities which would be incurred in connection with such action from the relevant Collateral Assets or otherwise or would experience an unreasonable delay in doing so. The Collateral Agent will not have any liability as to the consequence of such action and will not have regard to the effect of such action on individual Holders. Any reference in Collateral Security Conditions 3.3-3.8 (inclusive), Collateral Security Condition 6 and Collateral Security Condition 7 to the Collateral Agent shall also be deemed to be a reference to any agent which it appoints to assist it. Where the Collateral Agent is required to dispose of any Collateral Assets on behalf of the Issuer then:

- (a) the Collateral Agent shall seek firm bid quotations from at least three dealers in assets such as the relevant Collateral Assets (and, for such purpose, it may seek quotations in respect of such Collateral Assets in their entirety or in respect of designated tranches thereof, as it considers appropriate);
- (b) the Collateral Agent may itself provide a bid in respect of the relevant Collateral Assets or any tranche thereof; and
- (c) it shall and shall be authorised to accept in respect of each relevant tranche or, as applicable, the entirety of the relevant Collateral Assets the highest such quotation so obtained (which may be a quotation from the Collateral Agent).

Subject as may otherwise be provided for in these Collateral Security Conditions or the Final Terms, in effecting the sales, the Collateral Agent may sell the Collateral Assets in one single tranche or in smaller tranches as it considers appropriate in order to attempt reasonably to maximise the proceeds from such sale. The Collateral Agent may effect sales of the Collateral Assets (i) on any national securities exchange or quotation service on which the Collateral Assets may be listed or quoted, (ii) in the over-the-counter market or (iii) in transactions otherwise than on such exchanges or in the over-the-counter market. If (A) the Collateral Agent is unable to obtain any quotations for the sale of the Collateral Assets or (B) the Collateral Agent is offering to buy the Collateral Assets itself for its own account for a price equal to or higher than the best quotation from a third party, the Collateral Agent may effect sales of the Collateral Assets to itself.

3.4 **Application of proceeds**

Following payment of (a) all amounts due to the Collateral Agent and/or any agent appointed by it to assist in the enforcement of the Pledge(s) and realisation of the Collateral Assets, including any Enforcement Expenses and (b) any other amounts which are payable in accordance with, and in the order set out in, the applicable Priority of Payments (if any), the remaining proceeds from the realisation of the Collateral

Assets in a Collateral Pool will be applied in meeting the claims of Holders under the Secured Securities which are secured by the relevant Collateral Pool on a *pari passu* basis where each Secured Security's share of such proceeds shall be determined on the basis of such Secured Security's Collateral Proceeds Share.

3.5 **Shortfall**

In the event that, following the application of the Collateral Enforcement Proceeds in accordance with Collateral Security Condition 3.4, the amount paid to a Holder in respect of a Secured Security held by him (a "**Security Realised Amount**") is less than the Security Termination Amount determined with respect to such Secured Security (the difference being referred to as a "**Shortfall**"), the Issuer shall remain liable for such Shortfall, but any such Holder shall not have recourse to any Collateral Pool other than the Collateral Pool applicable to that series of Secured Securities.

3.6 **Physical Delivery of Collateral Assets**

Where "Physical Delivery of Collateral" is specified in the applicable Final Terms, following enforcement of the Pledge(s), the Collateral Agent, will deliver the Collateral Assets in a Collateral Pool to the Holders of the Secured Securities secured by the relevant Collateral Pool on a *pari passu* and *pro rata* basis. Delivery of such Collateral Assets will fully extinguish BNPP B.V.'s obligations in respect of the relevant Secured Securities notwithstanding that the value of the Collateral Assets so delivered may be less than the market value and/or nominal value of the relevant Secured Security. The Shortfall and the Security Termination Amount in respect of each such Secured Security shall be equal to zero.

In connection with any such delivery in respect of Certificates which are Secured Securities, such delivery shall be made in accordance with General Conditions 29 and 33.2 and the Entitlement shall be deemed to be a Certificate's *pro rata* share of the Collateral Assets held by the Issuer in respect of the relevant Collateral Pool. Where delivery of the Collateral Assets is due to be made in respect of Secured Securities which are Warrants, General Conditions 21, 23 and 24 (as modified by these Collateral Security Conditions) shall apply and, for such purposes, the Warrants shall be deemed to be Physical Delivery Warrants and the Entitlement shall be deemed to be the Warrant's *pro rata* share of the Collateral Assets held by the Issuer in respect of the relevant Collateral Pool.

In connection with such delivery, (i) General Condition 5 shall not apply, (ii) for the purposes of General Condition 11.1, Security Expenses shall be deemed to include any Enforcement Expenses which are incurred in delivery of the Collateral Assets in accordance with this Collateral Security Condition 3.6, (iii) the Collateral Agent shall be entitled to deduct from the assets deliverable to Holders all Security Expenses not previously deducted from amounts paid or assets delivered to Holders, as the Collateral Agent shall in its sole and absolute discretion determine are attributable to the relevant Secured Securities and (iv) any reference in the General Conditions to "Relevant Assets" shall be deemed, in connection with a delivery of Collateral Assets in accordance with this Collateral Security Condition 3.6, to be a reference to "Collateral Assets".

3.7 **Settlement Disruption**

If, in the opinion of the Collateral Agent, delivery of the Entitlement following the occurrence of an Enforcement Event using the method of delivery specified in the applicable Final Terms, or such other commercially reasonable manner as the Collateral Agent has determined, is not practicable by reason of a Collateral Settlement Disruption Event (as defined below) having occurred and continuing on any

Collateral Delivery Date then such Collateral Delivery Date, for such Secured Securities shall be postponed to the first following Business Day in respect of which there is no such Collateral Settlement Disruption Event, provided that the Collateral Agent may elect in its sole discretion to deliver the Entitlement in such other commercially reasonable manner as it may select and in such event the Collateral Delivery Date shall be such day as the Collateral Agent deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Collateral Settlement Disruption Event affects some but not all of the Collateral Assets comprising the Entitlement, the Collateral Delivery Date for the Collateral Assets not affected by the Collateral Settlement Disruption Event will be the originally designated Collateral Delivery Date.

If delivery of the relevant Entitlement is not possible due to the occurrence of a Collateral Settlement Disruption Event, for a period of greater than eight Business Days (or such other period specified in the Final Terms), then in lieu of physical settlement and notwithstanding any other provision hereof, the Collateral Agent shall sell or realise the Undeliverable Collateral Assets in the manner set out in Collateral Security Condition 3.3. The Collateral Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 that a Collateral Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Secured Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Collateral Settlement Disruption Event and no liability in respect thereof shall attach to BNPP B.V., or the Guarantor or the Collateral Agent.

3.8 **Claim on Guarantor**

In the event that the Issuer fails to make payment of the Shortfall, the Guarantor will on demand (without first requiring the Holder to take further steps against the Issuer or any other person) pay to each Holder in respect of each Secured Security held by him, an amount equal to the Shortfall in the currency in which the Shortfall is payable by the Issuer.

3.9 **Status of Guarantee**

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. Secured Securities in respect of which these Collateral Security Conditions are specified as applicable in the relevant Final Terms shall be deemed not to be "Securities" for the purposes only of the Deed of Guarantee dated 3 June 2010, or the French Law Guarantee dated 3 June 2010, entered into, in each case, by BNPP in respect of securities (other than Secured Securities) issued by BNPP B.V. under its warrant and certificate programme.

4. **GUARANTEE**

Subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder that, if following the occurrence of an Enforcement Event and enforcement of the Pledge in respect of the relevant Collateral Pool, for any reason BNPP B.V. does not pay the Security Termination Amount in respect of a Secured Security in full, 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) pay an amount equal to the Shortfall in the currency in which such payment is due in immediately available funds

as though BNPP were the principal obligor in respect of such obligation provided that BNPP shall not be obliged to make any payment under this Guarantee in respect of a Secured Security until the Collateral Assets in the Collateral Pool securing such Secured Security have been realised or liquidated in full in the manner set out in Collateral Security Condition 6.2.

5. COLLATERAL CALCULATION AGENT

In relation to each issue of Secured Securities, the Collateral Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) 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. All calculations and determinations made in respect of the Secured Securities by the Collateral Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, the Holders and the Collateral Agent. Because the Collateral Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Collateral Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Collateral Calculation Agent must make.

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

6. EVENTS OF DEFAULT AND ENFORCEMENT

6.1 Events of Default

A Holder may give written notice to the Issuer, the Collateral Agent and the Principal Security Agent that an Event of Default has occurred. If the Collateral Agent does not receive an Event Dispute Notice from the Issuer at or prior to the end of the Dispute Period, it shall deliver an Enforcement Notice to the Issuer and the Principal Security Agent whereupon, the Secured Securities shall become immediately due and payable at their Security Termination Amount (save where Physical Delivery of Collateral is applicable in which case the Entitlement in respect of each such Secured Security shall be delivered on the relevant Collateral Delivery Date) without further action or formalities and the Security Interests granted under the Pledge Agreements shall become enforceable (as set out in the Pledge Agreements). Any of the following events ("**Events of Default**") shall entitle a Holder to deliver a Default Notification:

- (a) the Issuer fails to pay any amount payable in respect of the Secured Securities or any of them when due and payable or fails to deliver the Entitlement when due and such default is not remedied within 30 days after the relevant due date; or
- (b) the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Secured Securities and such default is not remedied within 45 days after notice of such default has been given to the Principal Security Agent by any Holder; or
- (c) BNPP applies for the appointment of an ad hoc representative (*mandataire ad hoc*) under French bankruptcy law, or enters into an amicable procedure (*procédure de conciliation*) with creditors or ceases its payments, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of BNPP or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer or Guarantor is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer or Guarantor makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Issuer or Guarantor for

its winding-up or dissolution, except in connection with a merger or other reorganisation in which all of the Issuer's or the Guarantor's assets are transferred to, and all of the Issuer's or Guarantor's debts and liabilities (including the Secured Securities) are assumed by, another entity which continues the Issuer's or Guarantor's activities.

Any such Enforcement Notice shall be promptly given to the Holders in accordance with General Condition 10.

6.2 Enforcement

The Collateral Agent shall not be bound to take any action under or in connection with any of the Pledge Agreements (including without limitation enforcing the Pledge(s) upon the Pledge(s) becoming enforceable) (i) unless a Holder has given written notice to each of the Issuer, the Collateral Agent and the Principal Security Agent that an Event of Default has occurred, no Event Dispute Notice in respect of such Default Notification has been received by the Collateral Agent at or prior to the end of the Dispute Period and the Collateral Agent has, as a result, delivered an Enforcement Notice or (ii) if the Collateral Agent reasonably believes that it (x) would not be able to recover its costs or other liabilities which would be incurred in connection with such action from the relevant Collateral Assets or otherwise or (y) would experience an unreasonable delay in doing so.

Upon the occurrence of an Enforcement Event, the Collateral Agent shall enforce the Pledges in accordance with the Pledge Agreements. No Holder shall be entitled to enforce the Pledges or to proceed directly against the Issuer to enforce the other provisions of the Pledge Agreements unless the Collateral Agent, having become bound so to enforce or to proceed, fails so to do within a reasonable time and such failure is continuing or is prevented from doing so by any court order. In connection with the enforcement of the Pledges, and after the realisation and liquidation in full of all the Collateral Assets in a Collateral Pool and, where Physical Delivery of Collateral is not applicable, the Collateral Agent shall determine the Security Termination Amount (and, if applicable, any Shortfall) in respect of each Secured Security and shall notify such amounts to the Holders following such realisation and liquidation. Upon the occurrence of an Enforcement Event, the Collateral Calculation Agent shall provide details of the valuation of the Collateral Assets and the Secured Securities (to the extent applicable) determined for the purposes of Collateral Security Condition 3.2 as at the immediately preceding Collateral Valuation Date.

Save where Physical Delivery of Collateral is applicable to a series of Secured Securities or there is recourse only to the proceeds of sale of the Collateral Assets, where, upon delivery of the relevant Collateral Assets or payment of the proceeds of sale, no further amount will be due to the Holders of such Secured Securities, in the event that the Realisation Amount is insufficient to pay all amounts due to the Holders, the Issuer shall remain liable for the Shortfall and, in the event that the Issuer fails to make payment of the Shortfall as and when it becomes due, the Guarantor will be liable for such Shortfall pursuant to the terms of the Guarantee applicable to such Secured Securities. No Holder shall be entitled to have recourse to the Collateral Assets contained in a Collateral Pool other than the Collateral Pool which relates to the Secured Securities it holds.

7. ADDITIONAL DISRUPTION EVENTS

7.1 The following changes will apply to General Condition 15:

- (a) The definition of Additional Disruption Events in General Condition 15.1 shall be deleted and replaced with the following:

"Additional Disruption Event" means each of Change of Law, Hedging Disruption, Increased Cost of Hedging, Collateral Disruption and Increased Cost of Collateral Assets;"

- (b) The following definitions shall be deemed to have been inserted in General Condition 15.1 after the definition of a Cancellation Event and before the definition of Change in Law:

"Collateral Asset Default" means, in respect of a series of Secured Securities, any Collateral Asset in the Collateral Pool which secures such series of Secured Securities becomes due and payable on a date prior to its stated maturity date for any reason (including by reason of default in payment) or where the Collateral Asset is a cash deposit, there is a failure by the bank with which such deposit is held to pay any amount in respect of such deposit or the deposit becomes repayable on a date prior to its stated repayment date for any reason;

"Collateral Disruption" means 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) or any futures or option contracts it deems necessary to obtain Collateral Assets; or (b) freely realise, recover, remit, receive, re-patriate or transfer the proceeds of any such transactions(s) or assets(s) or futures or option contract(s) or any relevant hedge positions relating to the Collateral Assets (including without limitation as a result of adverse market conditions or a lack of liquidity in the market);"

- (c) The following definition shall be deemed to have been inserted in General Condition 15.1 after the definition of Hedging Shares and before the definition of Increased Cost of Hedging:

"Increased Cost of Collateral Assets" 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, fee (other than brokerage commissions) or other relevant cost (including, for the avoidance of doubt, any funding cost) to (a) acquire, borrow, substitute, or dispose of any Collateral Assets, (b) establish, re-establish, substitute, maintain, unwind or dispose of any transaction entered into by the Issuer or any of its Affiliates in connection with the Collateral Assets or (c) realise, recover or remit the proceeds of any such Collateral Assets, 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 Collateral Assets;"

- (d) The definition of Optional Additional Disruption Events in General Condition 15.1 shall be deleted and replaced with the following:

"Optional Additional Disruption Event" means any of Cancellation Event, Collateral Asset Default, Currency Event, Failure to Deliver due to Illiquidity, Force Majeure Event, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;"

- (e) Notwithstanding the first sentence of General Condition 15.2, upon the occurrence of an Additional Disruption Event which is either a Collateral Disruption or an Increased Cost of Collateral Assets, the Issuer, in its sole and absolute discretion, may take the action described in General Condition 15.2 (b) or (c).

7.2 The following shall apply where an Optional Additional Disruption Event occurs which is a Collateral Asset Default.

- (a) Where the relevant Secured Securities are Certificates and where the relevant Collateral Asset(s) have become due and repayable other than by reason of default in payment, upon becoming aware of such event, the Issuer will, on giving such period of notice (in accordance with General Condition 11) as expires not more than ten nor less than five Business Days following the date upon which the Issuer receives the redemption proceeds of such Collateral Asset(s) or where the Collateral Asset is a deposit, the date on which the Issuer receives the amount due to it on such repayment of the deposit, redeem the Secured Securities by payment of an amount equal to such Secured Security's Collateral Early Settlement Amount on the expiry of such notice.
- (b) Where the Collateral Asset has become due and repayable by reason of default in payment by the obligor of such Collateral Asset continuing after the expiry of any applicable grace period,
 - (i) in the case of Certificates, the Issuer shall as soon as reasonably practicable arrange for the sale of such Collateral Assets (and in connection therewith may appoint an agent to assist it in arranging such sale) in accordance with the manner of sale set out in Collateral Security Condition 3.3 (and for such purposes any reference in such Collateral Security Condition 3.3 to the Collateral Agent shall be deemed to be a reference to the Issuer or any agent it appoints to assist it in arranging such sale) or where the Collateral Asset is a cash deposit, the Issuer shall seek to recover amounts from the deposit or sell its rights to such deposit and the Issuer shall give notice in accordance with General Condition 11 (x) that each Certificate is to be redeemed at its Collateral Early Settlement Amount pursuant to this Collateral Security Condition 7.2(b)(i) following receipt of the realisation proceeds of the Collateral Assets and (y) upon receipt of such proceeds, of the date upon which the relevant Secured Securities are to be redeemed (which date shall be not more than ten nor less than five Business Days following receipt of such proceeds) and it shall redeem each Secured Security by payment of an amount equal to such Secured Security's Collateral Early Settlement Amount; or
 - (ii) in the case of Certificates or Warrants, where Collateral Physical Settlement has been specified as applicable in applicable Final Terms, the Issuer shall as soon as reasonably practicable deliver the Collateral Assets to the Holders. Where delivery of the Collateral Assets is due to be made in respect of Secured Securities which are Certificates, General Conditions 29 and 33.2 shall apply and, for such purposes, the Certificates shall be deemed to be Physical Delivery Certificates and the Entitlement (unless specified otherwise in the applicable Final Terms) shall be deemed to be the Certificate's *pro rata* share of the Collateral Assets held by the Issuer in respect of the relevant Collateral Pool. Any reference in the General Conditions to Relevant Assets shall be deemed to be, in connection with a Collateral Asset Default, a reference to the Collateral Assets which are comprised in the Entitlement for such Secured Security. Where delivery of the Collateral Assets is due to be made in respect of Secured Securities which are Warrants, General Conditions 21, 23 and 24 (as modified by these Collateral Security Conditions) shall apply and, for such purposes, the Warrants shall be deemed to be Physical Delivery

Warrants and the Entitlement (unless specified otherwise in the applicable Final Terms) shall be deemed to be the Warrant's *pro rata* share of the Collateral Assets held by the Issuer in respect of the relevant Collateral Pool. Delivery of the Entitlement shall satisfy the Issuer's obligations in full in respect of the relevant Secured Securities.

- (c) Subject as provided below, in the case of Certificates, in the event that some only of the Collateral Assets in the relevant Collateral Pool become repayable (the "**Repayable Assets**") pursuant to Collateral Security Conditions 7.2(a) or 7.2(b)(i) above, each Certificate will be partially redeemed on a *pro rata* basis in a nominal amount equal to the proportion of the then outstanding aggregate nominal amount of the Certificates that the principal amount of the Repayable Assets bears to the aggregate principal amount of all of the Collateral Assets, subject as provided below.
- (d) Where Collateral Physical Settlement has been specified as applicable in the applicable Final Terms and a Settlement Disruption Event occurs, General Condition 5.1 shall apply provided that the Disruption Cash Settlement Price will be equal to the Disruption Cash Settlement Price specified in the applicable Final Terms.

7.3 For the purpose of Collateral Security Conditions 7.2(a) and 7.2(b)(i), the Collateral Early Settlement Amount in respect of each Certificate will, unless otherwise specified in the applicable Final Terms, be the lesser of:

- (a) the Security Realised Amount in respect of such Certificate (determined in accordance with Collateral Security Condition 3) or where Collateral Security Condition 7.2(a) is applicable, such Secured Security's *pro rata* share of the redemption proceeds or, where the Collateral Asset is a cash deposit, the Issuer receives the amount due to it on the relevant repayment of the deposit received by the Issuer in respect of the relevant Collateral Assets; and
- (b) an amount calculated as follows:
 - (i) in the case of Certificates with a Cash Settlement Amount equal to the Issue Price, at the Cash Settlement Amount thereof; or
 - (ii) in the case of Certificates with a Cash Settlement Amount which is or may be less or greater than the Issue Price or which is payable in a Settlement Currency other than that in which the Certificates are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its outstanding nominal amount,

together with, in either case, unless otherwise specified in the applicable Final Terms, an amount in respect of interest (if any) accrued on such Certificate from and including the immediately preceding Interest Payment Date or, if none, the Interest Commencement Date to and including the date of redemption; or

- (c) the amount specified in the applicable Final Terms.

8. **COLLATERAL SECURITY CREDIT CERTIFICATES**

8.1 **General**

This Collateral Security Condition 8 shall only apply if the applicable Final Terms specify that Collateral Security Condition 8 applies and that the relevant Secured Securities are Collateral Security Credit

Certificates. Where this Collateral Security Condition 8 applies, for the avoidance of doubt, the terms of Annex 11 shall not apply to the Secured Securities. This Collateral Security Condition 8 may only apply to Secured Securities which are Certificates and in respect of which the only Collateral Asset is the Reference Obligation and may not apply to Secured Securities which are Warrants.

8.2 **Redemption**

(a) **Redemption absent Satisfaction of Conditions to Settlement**

The Issuer will redeem each Collateral Security Credit Certificate on the related Collateral Credit Security Settlement Date (as such date may be extended in accordance with the definition thereof) by payment of an amount equal to the Cash Settlement Amount of such Certificate unless:

- (A) an Automatic Early Redemption Event has occurred (if applicable);
- (B) an Enforcement Event has occurred;
- (C) the Collateral Security Credit Certificates have been previously redeemed or purchased or cancelled in full (including pursuant to Collateral Security Condition 8.2(b)); or
- (D) a Credit Event occurs and the Conditions to Settlement are satisfied in respect of such Credit Event, in which event the Issuer shall redeem the Collateral Security Credit Certificates in accordance with Collateral Security Condition 8.2(b).

(b) **Redemption following Satisfaction of Conditions to Settlement**

Upon the satisfaction of the Conditions to Settlement in relation to the Reference Entity, each Certificate will be redeemed at the Credit Event Settlement Amount on the Cash Settlement Date in full satisfaction of the Issuer's obligations under such Collateral Security Credit Certificate unless an Enforcement Event occurs on or prior to such Cash Settlement Date. Where the Conditions to Settlement are satisfied in relation to the Reference Entity but an Enforcement Event occurs on or prior to the Cash Settlement Date, Collateral Security Condition 3 shall apply.

(c) **Miscellaneous provisions relating to Redemption**

Any amount payable under Collateral Security Condition 8.2(b) shall be rounded downwards to the nearest sub-unit of the relevant currency.

8.3 **Interest**

(a) **Cessation of Interest Accrual**

Upon the occurrence of a Credit Event Determination Date in respect of the Reference Entity, interest shall cease to accrue with effect from, and including, either:

- (A) the Interest Payment Date immediately preceding such Credit Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date); or
- (B) if so specified in the applicable Final Terms, such Credit Event Determination Date.

(b) **Interest following Scheduled Maturity**

Subject always to Collateral Security Condition 8.3(a), unless specified otherwise in the applicable Final Terms, if an Extension Notice has been given, no interest will accrue on each Collateral Security Credit Certificate which is outstanding from, and including, the Redemption Date to, and including, the related Collateral Credit Security Settlement Date.

(c) **Interest Payment Dates**

If the Collateral Security Credit Certificates are redeemed pursuant to the General Conditions, the Collateral Security Conditions or this Collateral Security Condition 8.3(a), the Redemption Date, the Collateral Credit Security Settlement Date (if not the Redemption Date) or the Cash Settlement Date, as the case may be, shall be an Interest Payment Date in respect of each Collateral Security Credit Certificate and the Issuer shall pay any interest that has accrued (and is unpaid) in respect of each Collateral Security Credit Certificate on such Interest Payment Date.

(d) **General**

For the avoidance of doubt, this Collateral Security Condition 8.3 shall apply only where the Final Terms specify that the Collateral Security Credit Certificates bear interest.

8.4 **Satisfaction of the Conditions to Settlement**

The "**Conditions to Settlement**" will be satisfied upon the Calculation Agent delivering to the Issuer a Credit Event Notice.

8.5 **Miscellaneous Provisions relating to Collateral Security Credit Certificates**

(a) **Collateral Asset Withdrawals**

The Issuer will use reasonable endeavours to obtain from the Reference Entity payment of the amount specified in the Unwind Notice and all amounts standing to the credit of the Deposit. The Issuer may appoint an agent to assist it in making payments into or withdrawing amounts from the Deposit.

(b) **Determinations of the Calculation Agent**

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Collateral Security Credit Certificates shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor and the Holders. In performing its duties pursuant to these Collateral Security Credit Conditions, the Calculation Agent shall act in its sole and absolute discretion acting reasonably and in good faith. Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Collateral Security Credit Certificates including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance

or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer or the Guarantor shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

(c) **Delivery of Notices**

As soon as reasonably practicable after receiving a Credit Event Notice or Extension Notice from the Calculation Agent, the Issuer shall promptly inform, or shall procure that the Calculation Agent informs, the Holders in accordance with General Condition 11.

8.6 **Definitions**

The following definitions shall apply to Collateral Security Credit Certificates.

"Bankruptcy" means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive).

"BNP Paribas Group" means BNP Paribas and its consolidated subsidiaries.

"Cash Settlement Date" means the date falling three Business Days (or such other number of days specified in the applicable Final Terms) after the Credit Event Valuation Date.

"Certificate Value" means the marked to market value of the Certificate immediately prior to the occurrence of the Credit Event expressed as a percentage of the Notional Amount of the Collateral Security Credit Certificate as determined by the Calculation Agent in its sole discretion and, in respect of such determination, that the Calculation Agent shall ignore the credit-linked component and credit linked provisions of the Collateral Security Credit Certificate for the purposes of such valuation.

"Credit Derivatives Determinations Committee" means each committee established by ISDA for the purposes of reaching certain DC Resolutions in connection with credit derivative transactions in the over the counter markets, as more fully described in the Rules.

"Credit Event" means the occurrence of a Bankruptcy with respect to the Reference Entity or a Failure to Pay.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into the Reference Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to the Reference Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"Credit Event Determination Date" means the first date on which a Credit Event Notice is effective.

"Credit Event Notice" means an irrevocable notice from the Calculation Agent to the Issuer that describes a Credit Event that occurred on or after the Trade Date and on or prior to the earlier of (i) if Automatic Early Redemption Event is specified as applicable in the Final Terms, the Automatic Early Redemption Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event has occurred, (ii) the date on which an Enforcement Event occurs and (iii) the day falling two Business Days prior to the Collateral Credit Security Settlement Date.

"Credit Event Settlement Amount" means an amount per Certificate subject to a minimum of zero, equal to:

$NA \times (\text{Certificate Value} - \text{Redemption Adjustment})$

"Credit Event Valuation Date" means any Business Day from, and including the Credit Event Determination Date to, and including, the Credit Event Valuation Period End Date as selected by the Calculation Agent in its sole discretion (such period, the "Credit Event Valuation Period") provided that the Credit Event Valuation Date may be postponed where the Valuation Extension Condition is satisfied, in which case the Credit Event Valuation Date will be any Business Day from, and including the Credit Event

Determination Date to, and including, the last Business Day of the Extended Valuation Period, as selected by the Calculation Agent in its sole discretion.

"Credit Event Valuation Period End Date" means, unless specified otherwise in the applicable Final Terms, the day falling 180 Business Days following the Credit Event Determination Date.

"Collateral Credit Security Settlement Date" means:

- (a) the Redemption Date; or
- (b) where the Issuer, having received from the Calculation Agent an Extension Notice in relation to the Reference Entity, delivers it to the Holders on or prior to the day falling three Business Days prior to the Redemption Date, the Extended Redemption Date.

"DC Resolution" has the meaning given to it in the Rules.

"Extended Redemption Date" means the date that is five Business Days following the later of:

- (a) the Redemption Date where paragraph (a) of the definition of "Extension Notice" applies; and
- (b) the last day of the Grace Period where paragraph (b) of the definition of "Extension Notice" applies.

"Extension Notice" means a notice delivered by the Calculation Agent to the Issuer stating that (a) without prejudice to sub-paragraph (b), a Credit Event has occurred or may occur on or prior to the Redemption Date or (b) a Potential Failure to Pay has occurred or may occur on or prior to the Redemption Date.

"Extended Valuation Period" means the period from, and including the Credit Event Determination Date to, and including the day falling 720 calendar days (or such other day specified in the applicable Final Terms) following the Credit Event Determination Date.

"Failure to Pay" means, after the expiration of the Grace Period, the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under the Reference Obligation in accordance with the terms of such Reference Obligation at the time of such failure.

"Final Price" means the amount expressed as a percentage of the Reference Obligation Notional Amount (as at the date the Credit Event occurred) equal to:

- (a) (i) the amount received by the Issuer from the Reference Entity in relation to the Reference Obligation in the period from, and including, the day on which the relevant Credit Event occurred to, and including, the last day in the Credit Event Valuation Period; or
- (ii) if the Issuer in its sole discretion acting in a commercially reasonable manner elects to transfer its rights in respect of the Reference Obligation to a third party (which may be an affiliate of the Issuer) on an arm's length basis and the Issuer effects a transfer of such rights on or prior to the last day in the Credit Event Valuation Period, the amount received from the third party to which the Issuer has been able to transfer its rights related to the Reference Obligation less any costs or expenses incurred in or relating to such transfer;

- (b) where the Valuation Extension Condition is satisfied, the amount paid by the Reference Entity to the Issuer in relation to the Reference Obligation on or prior to the last Business Day of the Extended Valuation Period; and
- (c) if no amount has been paid to the Issuer by the Reference Entity on or prior to the last day of the Credit Event Valuation Period or, if the Valuation Extension Condition is satisfied, the last Business Day of the Extended Valuation Period and the Issuer has not transferred its rights related to the Reference Obligation to a third party on or prior to the last day of the Credit Event Valuation Period, the Final Price shall be deemed to be equal to zero.

For the avoidance of doubt, the Final Price as determined in accordance with sub-paragraphs (a) and (b) above may be deemed to be equal to zero.

"Grace Period" means the period of 15 Business Days (or such other period specified in the Final Terms) from the date on which an Unwind Notice has been delivered to the Reference Entity.

"ISDA" means the International Swaps and Derivatives Association, Inc. (or any successor thereto).

"NA" means the Notional Amount.

"Non Recovered Loss" means an amount expressed as a percentage calculated in accordance with the following formula:

$$\frac{\text{RONA}}{\text{ONA}} \times (100\% - \text{Final Price})$$

"Outstanding Notional Amount" or **"ONA"** means the outstanding nominal amount of all issued Collateral Security Credit Certificates of the relevant series which have not been redeemed or are not held by an entity in the BNP Paribas Group.

"Payment Requirement" means EUR 1 (or such other amount specified in the applicable Final Terms).

"Potential Failure to Pay" means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement in respect of the Reference Obligation, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Obligation, in accordance with the terms of the Reference Obligation at the time of such failure.

"Redemption Adjustment" means the aggregate of (i) any costs expressed as a percentage of the Outstanding Notional Amount payable by the Issuer or any of its affiliates to unwind or terminate any hedging transaction or hedging positions related to the Certificates and (ii) any Non Recovered Loss in respect of the Reference Obligation.

"Reference Obligation" means a cash deposit by the Issuer (the **"Deposit"**) with the Reference Entity in an amount equal to the Reference Obligation Notional Amount from time to time.

"Reference Obligation Notional Amount" or **"RONA"** means an amount placed on deposit with the Reference Entity by the Issuer upon issue of the Certificates, which amount may be reduced or increased in the manner set out in Collateral Security Condition 3.2(b).

"Reference Entity" means the party specified as such in the applicable Final Terms and any Successor thereto.

"Rules" means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"Succession Event" means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement;

"Successor" means any direct or indirect successor to the Reference Entity which assumes the Reference Obligation following a Succession Event in respect of the Reference Entity or, if there is more than one such successor entity, the successor entity which assumes the highest proportion of the outstanding balance of the Reference Obligation as determined by the Calculation Agent, provided that if more than one successor entity assumes such highest proportion of such Reference Obligation, the successor entity shall be determined by the Calculation Agent acting in a commercially reasonable manner.

"Unwind Notice" means a notice to the Reference Entity requesting the withdrawal of all or any part of the amounts standing to the credit of the Deposit.

"Valuation Extension Condition" means (i) the transfer of the Issuer's rights relating the Reference Obligation has not been possible on or prior to the last day in the Credit Event Valuation Period, (ii) no amount has yet been received by the Issuer from the Reference Entity in respect of the Reference Obligation on or prior to the last day in the Credit Event Valuation Period and (iii) the Issuer determines that the Final Price is likely to be higher than zero if there is an Extended Valuation Period and the Credit Event Valuation Date is postponed and it notifies the Issuer and the Calculation Agent accordingly.

9. EXERCISE RIGHTS (WARRANTS)

9.1 The first paragraph of General Condition 23.2 shall not apply and shall be replaced with the following:

"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 the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date (provided that no Enforcement Event has occurred) 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:"

9.2 The first paragraph of General Condition 23.3 (Physical Settlement) shall not apply and shall be replaced with the following:

"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 the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date (provided no Enforcement Event has occurred) 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."

10. **REDEMPTION (CERTIFICATES)**

General Condition 32.1 will not apply.

10.1 **General**

Unless the Certificates are Exercisable Certificates, subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, provided no Enforcement Event has occurred, each Certificate (other than a Credit Certificate or Collateral Security Credit 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 General Condition 5 and General Condition 33, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date 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 General Condition 5.1), 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 Securities), Annex 2 (Additional Terms and Conditions for Share Securities), Annex 3 (Additional Terms and Conditions for ETI Securities), Annex 5 (Additional Terms and Conditions for Commodity Securities), Annex 8 (Additional Terms and Conditions for Fund Securities) and Annex 10 (Additional Terms and conditions for Futures Securities) as specified in the applicable Final Terms.

10.2 **Credit Certificates and Collateral Security Credit Certificates**

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms and provided no Enforcement Event has occurred, each Credit Certificate and Collateral Security Credit Certificate will be redeemed by the Issuer by payment of the Cash Settlement Amount such redemption to occur on the Redemption Date specified in the applicable Final Terms subject as provided in Annex 11 (Additional Terms and Conditions for Credit Securities) and, in the case of Collateral Security Credit Certificates, Collateral Security Condition 8. If 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 payment in respect of such delay.

10.3 Issuer Call Option

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, provided no Enforcement Event has occurred and 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 Certificate Custodian on behalf of DTC, not less than 15 nor more than 30 days' (or such other period specified in the applicable Final Terms (the "**Notice Period**")) 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 Certificate Custodian on behalf of DTC, not less than 30 nor more than 45 days' notice to the Holders in accordance with General Condition 10; and
- (b) not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security 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 (the "**Optional Redemption Amount**") specified in, or determined on the date (the "**Optional Redemption Valuation Date**") and in the manner specified in the applicable Final Terms 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 Italian Dematerialised Certificates or Swedish Certificates will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, Euroclear France, Euroclear Netherlands, DTC, Monte Titoli, Euroclear Sweden, as applicable, or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Security 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 General Condition 10, 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 Euronext Amsterdam ("**Euronext Amsterdam**") and admitted to trading on the regulated market of Euronext Amsterdam 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 Euronext Amsterdam (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

10.4 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 (or such other period specified in the applicable Final Terms (the "**Notice Period**")) the Issuer will, upon the expiry of such notice and provided no Enforcement Event has occurred, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on any date fixed for redemption as specified in the applicable Final Terms (an "**Optional Redemption Date**") and at an amount (the "**Optional Redemption Amount**") specified in, or determined on the date (the "**Optional Redemption**

Valuation Date") and in the manner specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date (each date and amount as specified in the applicable Final Terms).

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands 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 Security Agent or the Registrar at any time during normal business hours of such Registrar or Security 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 Security 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 Collateral Security Condition 10.4, accompanied by the Certificate or evidence satisfactory to the Security 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 Security Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden 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 Security Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden and/or any other relevant Clearing System or any common depository for them to the Security Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden 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 Security Agent for notation accordingly. Any Put Notice given by a Holder of any Certificate pursuant to this Collateral Security Condition 10.4 shall be irrevocable.

10.5 **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.

10.6 **Redemption of Partly Paid Certificates**

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

10.7 **Exercise of Certificates**

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applicable in the applicable Final Terms, provided no Enforcement Event has occurred, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, or, if Multiple Exercise is specified as applicable in the applicable Final Terms, each Exercise Date subject as provided in the following paragraph and, in the case of Credit Certificates, to the provisions of Annex 11 (Additional Terms and Conditions for Credit Securities) and, in the case of Collateral Security Credit Certificates, Collateral Security Condition 8. Upon automatic exercise each Certificate entitles its Holder to receive

from the Issuer the Cash Settlement Amount on the Redemption Date or, if Multiple Exercise is specified as applicable in the applicable Final Terms, the relevant Exercise Settlement Date.

If the Certificates are Italian Listed Certificates, prior to the Renoucement Notice Cut-off Time, as specified in the applicable Final Terms, on an 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 Renoucement Notice (a "**Renoucement Notice**") in the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renoucement Notice shall be irrevocable. Any determination as to whether a Renoucement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, the Security Agents and the relevant Holder. Subject as set out below, any Renoucement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renoucement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renoucement Notice submitted at the time such correction was delivered to the Italian Security Agent.

10.8 **Open End Certificates**

"Open End" may be specified as applicable in the relevant Final Terms, in respect of French Law Certificates only. If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer in its sole discretion, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with General Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

11. **PAYMENTS (CERTIFICATES)**

General Condition 33.1 shall not apply, except in the case of Registered Certificates, Swedish Certificates and subject as provided below, the Issuer shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Security Realised Amount and an amount equal to the Shortfall (if any) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Security Agent, as the case may be (in the case of English Law Certificates other than Swedish Certificates and Certificates held through Euroclear France ("**Euroclear France Certificates**") and in the case of Certificates held through Euroclear Netherlands ("**Euroclear Netherlands Certificates**") or with the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates) for value on the Redemption Date (or (a) in the case of Instalment Certificates, on the relevant Instalment Date; or (b) if Multiple Exercise is specified as applicable in the applicable Final Terms, on the relevant Exercise Settlement Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Security Agent, as the case may be or Account Holder. Payment of any Shortfall by the Guarantor (if any) shall be made in the same manner as the Security Realised Amount is paid by, or on behalf of, the Issuer.

Except in the case of Registered Certificates and Swedish Certificates where the Certificates pay interest, subject as provided below, the Issuer 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 Security 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 Security Agent, as the case may be.

Except in the case of Registered Certificates and Swedish Certificates, the Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be, or whose name appears in the account of the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Security 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 Security 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 Security Agent, the Issuer will make all payments in accordance with those instructions.

In the case of Registered Certificates, the Issuer shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Amount, each Instalment Amount) or Security Realised Amount and an amount equal to the Shortfall (if any) in respect of each Registered Certificate (whether or not in global form) against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Certificate at the specified office of the Registrar or any of the Security Agents by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the amount of the Certificates held by a holder is less than U.S.\$250,000 (or integral multiples of U.S.\$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro. Payment of any Shortfall by the Guarantor (if any) shall be made in the same manner as the Security Realised Amount is paid by, or on behalf of, the Issuer.

In the case of Registered Certificates and where the Certificates pay interest, the Issuer shall pay or cause to be paid the Interest Amount (other than the final Interest Amount) in respect of each Registered Certificate (whether or not in global form) by a cheque in the Settlement Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is

located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Certificate, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Certificates which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the Interest Amount due in respect of each Registered Certificate on redemption will be made in the same manner as payment of the Cash Settlement Amount of such Registered Certificate.

Holders of Registered Certificates will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar/relevant Security Agent in respect of any payments of principal or interest in respect of the Registered Certificates.

None of the Issuer, the Guarantor, the Collateral Agent or any of the Security Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate, distinguishing between any payment of the Cash Settlement Amount and any Interest Amount, will be made on such Registered Global Certificate by the Registrar to which such Registered Global Certificate is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer or the Guarantor will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No person other than the holder of the relevant Registered Global Certificate shall have any claim against the Issuer or the Guarantor in respect of any payments due on that Registered Global Certificate.

In the case of Swedish Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) Security

Realised Amount, Shortfall and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Sweden 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**") or the date on which the Enforcement Event occurred (the "**Swedish Record Date**"). The Swedish Security Agent will pay the relevant amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Payment Date or on the relevant date on which the Security Realised Amount is paid in accordance with these Collateral Security Conditions.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

FORM OF THE ENGLISH LAW GUARANTEE FOR SECURED SECURITIES

The form of the English Law Guarantee set out in the Base Prospectus shall not apply and the following shall apply instead:

"**THIS GUARANTEE** is made by way of deed on [●] March 2011 by BNP Paribas ("**BNPP**") in favour of the holders for the time being of the Secured Securities (as defined below) (each a "**Holder**").

WHEREAS:

BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") has established a Warrant and Certificate Programme (the "**Warrant and Certificate Programme**") under which, BNPP B.V. may from time to time issue warrants and certificates governed by English law (the "**Securities**") of any kind including, but not limited to, Securities relating to a specified index or a basket of indices, a specified share, GDR or ADR or a basket of shares, GDRs and/or ADRs, a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified debt instrument or basket of debt instruments, a deposit, a specified commodity or commodity index or basket of commodities or commodity indices, a specified inflation index or basket of inflation indices, a specified currency or basket of currencies, a specified fund share or unit or basket of fund shares or units or Credit Securities. BNPP intends to guarantee the obligations of BNPP B.V. under the Securities in respect of which the Secured Warrant and Certificate Supplement dated [●] March 2011 (the "**Secured Securities**") is specified to apply in the manner and to the extent set out herein.

The Secured Securities may be issued pursuant to (a) an Agency Agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated [●] March 2011 between, *inter alia*, BNPP B.V., BNPP, BNP Paribas Securities Services, Luxembourg Branch as agent and BNP Paribas Arbitrage S.N.C. as calculation agent or (b) any other agency or analogous agreement entered into by BNPP and BNPP B.V. from time to time.

Terms defined in the Terms and Conditions of the Secured Securities, as amended and/or supplemented by the applicable Final Terms (the "**Conditions**") and/or the Agency Agreement and not otherwise defined in this Deed of Guarantee for Secured Securities shall have the same meanings when used in this Guarantee.

NOW THIS DEED WITNESSES as follows:

1. **Guarantee**

Subject as provided below, BNPP unconditionally and irrevocably guarantees by way of deed poll to each Holder that, if following the occurrence of an Enforcement Event and enforcement of the Pledge in respect of the relevant Collateral Pool, for any reason BNPP B.V. does not pay the Security Termination Amount in respect of a Secured Security in full, BNPP will, in accordance with the Conditions, pay an amount equal to the Shortfall in the currency in which such payment is due in immediately available funds. In case of the failure of BNPP B.V. to satisfy such obligation as and when the same becomes due, BNPP hereby undertakes to make or cause to be made such payment as though BNPP were the principal obligor in respect of such obligation after a demand has been made on BNPP pursuant to clause 8 hereof PROVIDED THAT BNPP shall not be obliged to make any payment under this Guarantee in respect of a Secured Security until the Collateral Assets in the Collateral Pool securing such Secured Security have been realised or liquidated in full in the manner set out in Collateral Security Condition 6.2. Payment of an amount equal

to the Shortfall in respect of a Secured Security shall constitute a complete discharge of BNPP's obligations in respect of such Secured Security.

For the purposes of this Guarantee:

"Shortfall" means the amount, following liquidation and realisation of the Collateral Assets in the relevant Collateral Pool, by which the amount paid to the holder of the relevant Secured Security by, or on behalf of the Issuer, is less than the Security Termination Amount payable in respect of such Secured Security.

2. **BNPP as Principal Obligor**

As between BNPP and the holder of each Secured Security but without affecting BNPP B.V.'s obligations, BNPP will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety provided that (i) an Enforcement Event has occurred, (ii) the Collateral Assets in the Collateral Pool which secures the relevant Secured Security have been realised or liquidated in full in accordance with Collateral Security Condition 6.2, (iii) the Security Realised Amount is less than the Security Termination Amount and (iv) a demand has been made on the Guarantor pursuant to clause 8 hereof. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (1) any time, indulgence, waiver or consent at any time given to BNPP B.V. or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the release of any such security, guarantee or indemnity, (4) the dissolution, amalgamation, reconstruction or reorganisation of BNPP B.V. or any other person, or (5) the illegality, invalidity or unenforceability of or any defect in any provision of the Conditions, the Agency Agreement or any of BNPP B.V.'s obligations under any of them).

3. **BNPP's Obligations Continuing**

BNPP's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no Shortfall remains payable under any Secured Security. Furthermore, those obligations of BNPP are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from BNPP or otherwise.

4. **Discharge by BNPP B.V.**

If any payment received by, to or to the order of, the holder of any Secured Security is, on the subsequent bankruptcy or insolvency of BNPP B.V., avoided under any laws relating to bankruptcy or insolvency, such payment will not be considered as having discharged or diminished the liability of BNPP in respect of any relevant Shortfall and this Guarantee will continue to apply in respect of any relevant Shortfall as if such payment had at all times remained due and owing by BNPP B.V.

5. **Indemnity**

As a separate and alternative stipulation, BNPP unconditionally and irrevocably agrees (1) that any sum or obligation which, although expressed to be payable or deliverable under the Secured Securities, is for any reason (whether or not now existing and whether or not now known or becoming known to BNPP B.V., BNPP or any Holder) not recoverable from BNPP on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal obligor and will be paid or performed by it in favour of the Holder on demand provided (i) an Enforcement Event has occurred, (ii) the Collateral Assets in the Collateral Pool which secures the relevant Secured Security have been realised or liquidated in full in

accordance with Collateral Security Condition 6.2, (iii) the Security Realised Amount is less than the Security Termination Amount and (iv) a demand has been made on the Guarantor pursuant to clause 8 hereof and provided further that in no circumstances shall BNPP be obliged to pay an amount under this Guarantee which is greater than the relevant Shortfall. The second sentence of Clause 2 of this Guarantee shall apply mutatis mutandis to this Clause 5.

6. **Incorporation of Terms**

BNPP agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

7. **Deposit of Guarantee**

This Guarantee shall be deposited with and held by BNP Paribas Securities Services, Luxembourg for the benefit of the Holders.

8. **Demand on BNPP**

Any demand hereunder shall be given in writing addressed to BNPP served at its office at CIB Legal, 3 rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made five Paris Business Days (as used herein, "**Paris Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made five Paris Business Days after the Paris Business Day immediately following such day.

9. **Governing law**

This Guarantee and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with English law.

10. **Jurisdiction**

This Clause is for the benefit of the Holders only. Subject as provided below, the courts of England shall have exclusive jurisdiction to settle any disputes which may, directly or indirectly, arise out of or in connection with this Guarantee including a dispute relating to any non-contractual obligations arising out of or in connection herewith and accordingly BNPP submits to the exclusive jurisdiction of the English courts to hear all suits, actions or proceedings (together hereinafter termed the "**Proceedings**") relating to any such dispute. BNPP waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Clause shall limit the rights of the Holders to take any Proceedings against BNPP in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

11. **Service of Process**

BNPP agrees that service of process in England may be made on it at its London branch. Nothing in this Guarantee shall affect the right to serve process in any other manner permitted by law.

12. **Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but this does not affect any right or remedy of any person which exists or is available from that Act.

IN WITNESS whereof this Guarantee has been executed and delivered by BNP Paribas as a deed on the date first above-mentioned.

Executed as a Deed

By BNP PARIBAS)
acting by)
acting under the authority)
of that company)

Witness's signature:

Name:

Address:

FORM OF THE FRENCH LAW GUARANTEE FOR SECURED SECURITIES

THIS GUARANTEE is made by BNP Paribas ("**BNPP**") in favour of the holders for the time being of the Secured Securities (as defined below) (each a "**Holder**").

WHEREAS:

BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") and BNPP have established a Warrant and Certificate Programme (the "**Warrant and Certificate Programme**") under which, *inter alia*, BNPP B.V. may from time to time issue warrants and certificates governed by French law (the "**Securities**") of any kind including, but not limited to, Securities relating to a specified index or a basket of indices, a specified share, GDR or ADR or a basket of shares, GDRs and/or ADRs, a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified debt instrument or basket of debt instruments, a deposit, a specified commodity or commodity index or basket of commodities or commodity indices, a specified inflation index or basket of inflation indices, a specified currency or basket of currencies, a specified fund share or unit or basket of fund shares or units, Credit Securities, Open End Certificates or Open End Turbo Certificates. BNPP intends to guarantee the obligations of BNPP B.V. under the Securities in respect of which the Secured Warrant and Certificate Supplement dated [●] March 2011 (the "**Secured Securities**") is specified to apply in the manner and to the extent set out herein.

The Secured Securities may be issued pursuant to (a) an Amended and Restated Agency Agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented or restated from time to time) dated [●] March 2011 between, *inter alia*, BNPP B.V., BNPP, BNP Paribas Securities Services, Luxembourg Branch as agent and BNP Paribas Arbitrage S.N.C. as calculation agent or (b) any other agency or analogous agreement entered into by BNPP and/or BNPP B.V. from time to time.

Terms defined in the Terms and Conditions of the Secured Securities, as amended and/or supplemented by the applicable Final Terms (the "**Conditions**") and/or the Agency Agreement and not otherwise defined in this Guarantee for Secured Securities shall have the same meanings when used in this Guarantee.

1. **Guarantee**

Subject as provided below, BNPP unconditionally and irrevocably guarantees to each Holder that, if following the occurrence of an Enforcement Event and enforcement of the Pledge in respect of the relevant Collateral Pool, for any reason BNPP B.V. does not pay the Security Termination Amount in respect of a Secured Security in full, BNPP will, in accordance with the Conditions, pay an amount equal to the Shortfall in the currency in which such payment is due in immediately available funds. In case of the failure of BNPP B.V. to satisfy such obligation as and when the same becomes due, BNPP hereby undertakes to make or cause to be made such payment as though BNPP were the principal obligor in respect of such obligation after a demand has been made on BNPP pursuant to clause 8 hereof PROVIDED THAT BNPP shall not be obliged to make any payment under this Guarantee in respect of a Secured Security until the Collateral Assets in the Collateral Pool securing such Secured Security have been realised or liquidated in full in the manner set out in Collateral Security Condition 6.2. Payment of an amount equal to the Shortfall in respect of a Secured Security shall constitute a complete discharge of BNPP's obligations in respect of such Secured Security.

For the purposes of this Guarantee:

"**Shortfall**" means the amount, following liquidation and realisation of the Collateral Assets in the relevant Collateral Pool, by which the amount paid to the holder of the relevant Secured Security by, or on behalf of, the Issuer, is less than the Security Termination Amount payable in respect of such Secured Security.

2. **Joint liability of BNPP and BNPP B.V.**

BNPP hereby acknowledges, absolutely and without right to claim the benefit of any legal circumstances amounting to an exemption from liability or a guarantor's defence, that it is bound by the obligations specified below. Accordingly, BNPP acknowledges that it will not be released from liability, nor will its liability be reduced, at any time, by extension or grace periods regarding payment or performance, any waiver or any consent granted to BNPP B.V. or to any other person, or by the failure of any execution proceedings brought against BNPP B.V. or any other person provided that (i) an Enforcement Event has occurred, (ii) the Collateral Assets in the Collateral Pool which secures the relevant Secured Security have been realised or liquidated in full in accordance with Collateral Security Condition 6.2, (iii) the Security Realised Amount is less than the Security Termination Amount and (iv) a demand has been made on the Guarantor pursuant to clause 8 hereof. Furthermore, BNPP acknowledges that (1) it will not be relieved of its obligations in the event that BNPP B.V.'s obligations become void for reasons relating to BNPP B.V.'s capacity, limitation of powers or lack thereof (including any lack of authority of persons having entered into contracts in the name, or on behalf, of BNPP B.V.), (2) its obligations under this Guarantee will remain valid and in full effect notwithstanding the dissolution, merger, takeover or reorganisation of BNPP B.V., as well as the opening of insolvency proceedings, or any other proceedings similar to receivership or liquidation proceedings, in respect of BNPP B.V., (3) it will not avail itself of any subrogation rights in respect of the Holders' rights and that it will take no steps to enforce any rights or demands against BNPP B.V., so long as any amounts remain due; or any obligation remains unperformed, under the Secured Securities, and (4) neither the notification of, nor the serving of a formal request upon, BNPP B.V. or any other person is a prior condition to a payment or performance by BNPP under this Guarantee.

3. **BNPP's continuing liability**

BNPP's obligations under this Guarantee will remain valid and in full effect until no Shortfall remains payable under any Secured Security.

4. **BNPP B.V. repayment**

If a payment received by, or to the order of, any Holder is declared null and void under any rule relating to insolvency proceedings, or any other procedure similar to the receivership or liquidation of BNPP B.V., such payment will not reduce BNPP's obligations in respect of any relevant Shortfall and this Guarantee will continue to apply in respect of any relevant Shortfall as if such payment or obligation had always been due from BNPP B.V.

5. **Conditions binding**

BNPP declares (i) that it has full knowledge of the provisions of the Conditions, (ii) that it will comply with them and (iii) that it will be bound by them.

6. **Duration of the Guarantee**

This Guarantee is granted by the Guarantor in respect of all Secured Securities issued during a period of one year from the date of its signature.

7. **Demand on BNPP**

Any demand hereunder shall be given in writing addressed to BNPP served at its office at CIB Legal, 3 Rue Taitbout, 75009 Paris, France. A demand so made shall be deemed to have been duly made five Paris Business Days (as used herein, "**Paris Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made five Paris Business Days after the Paris Business Day immediately following such day.

8. **Governing law and jurisdiction**

This Guarantee is governed by, and shall be construed in accordance with, French law. For the exclusive benefit of the Holders, BNPP acknowledges that the competent courts within the jurisdiction of the Paris Court of Appeal (*Cour d'Appel de Paris*) will be competent to settle any litigation or proceedings ("**Proceedings**") relating to this Guarantee. Nothing in this Clause shall limit the rights of the Holders to take any Proceedings against BNPP in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

Executed in Paris in one original, on [●] March 2011.

BNP PARIBAS

By: