

BASE PROSPECTUS



Crédit Industriel et Commercial

CREDIT INDUSTRIEL ET COMMERCIAL

(a "société anonyme à conseil d'administration" organised under the laws of the Republic of France)

€2,000,000,000

Structured Euro Medium Term Note Programme

Under this €2,000,000,000 Structured Euro Medium Term Note Programme (the **Programme**), Crédit Industriel et Commercial (the **Issuer** or **CIC** or **Crédit Industriel et Commercial**) may from time to time issue notes including, without limitation, credit linked notes, notes relating to a specified index or a basket of indices, a specified equity security or a basket of equity securities, a specified inflation index or a basket of inflation indices or one more other underlying reference asset(s) or any combination thereof (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act 2005**) to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application may also be made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. In relation to Notes listed on the Luxembourg Stock Exchange, this Base Prospectus is valid for a period of one year from the date hereof.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (as defined below) will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a final terms (the **Final Terms**) which, with respect to Notes to be listed on the Luxembourg Stock Exchange will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a Supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes. Any person (an **Investor**) intending to acquire or acquiring any securities from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in the Prospectus Directive (as defined below), the Issuer may be responsible to the Investor for the Base Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of Article 6 of the Prospectus Directive (as defined below) as implemented by the national legislation of each EEA Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents it should take legal advice.

The long term debt of the Issuer has been rated A+ by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc (**S&P**), Aa3 by Moody's Investor Services Ltd (**Moody's**) and A+ by Fitch Ratings Ltd (**Fitch**). Each of S&P, Moody's, and Fitch (the **Rating Agencies**) is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://esma.europa.eu/page/list-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the Rating Agencies. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

CREDIT INDUSTRIEL ET COMMERCIAL

Dealers

BANQUE DE LUXEMBOURG

CIC EST

CREDIT INDUSTRIEL ET COMMERCIAL

The date of this Base Prospectus is 18 January 2013

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the Prospectus Directive) as amended (which includes the amendments made by Directive 2010/73/EU (the 2010 PD Amending Directive)).

Certain information contained in this Base Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Final Terms will (if applicable) specify the nature of the responsibility (if any) taken by the Issuer for any information relating to any underlying to which the Notes may be linked.

This Base Prospectus is to be read in conjunction with any supplement thereto and all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer 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. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES WHERE THERE IS NO EXEMPTION FROM THE OBLIGATION UNDER THE PROSPECTUS DIRECTIVE TO PUBLISH A PROSPECTUS

Restrictions on Public offers of Notes in Relevant Member States

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a **Public Offer**. This Base Prospectus has been prepared on a basis that permits Public Offers of Notes. However, any person making or intending to make a Public Offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*" and the terms of that consent are complied with by the person (the **Offeror**) making the Public Offer of such Notes.

Save as provided above, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)

Any person (an **Investor**) intending to acquire or acquiring any Notes from any Offeror other than the Issuer or a relevant Dealer should be aware that, in the context of a Public Offer of such Notes, the Issuer will be responsible to the Investor for this Base Prospectus under Article 6 of the Prospectus Directive only if the Issuer has consented to the use of this Base Prospectus by that Offeror to make the Public Offer to the Investor. None of the Issuer or any Dealer makes any representation as to the compliance by that Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Offeror. **Save as provided below, neither the Issuer nor any Dealer has authorised the making of any Public Offer by any Offeror or consented to the use of this Base Prospectus by any other person in connection with any Public Offer of Notes. Any Public Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.** If the Issuer has not consented to the use of this Base Prospectus by an Offeror, the Investor should check with the Offeror whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Directive in the context of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

In connection with each Tranche of Notes, and provided that the applicable Final Terms specifies an Offer Period, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of such Notes subject to the following conditions:

- (i) the consent is only valid during the Offer Period so specified;
- (ii) the only Offerors authorised to use this Base Prospectus to make the Public Offer of the relevant Tranche of Notes are the relevant Dealer and either:
 - (a) (i) if the applicable Final Terms names financial intermediaries authorised to offer the Notes, the financial intermediaries so named or (ii) if the Issuer appoints additional financial

intermediaries after the date of the applicable Final Terms and publishes details of them on its website, each financial intermediary whose details are so published; or

- (b) in any other case, any financial intermediary which is authorised to make such offers under Directive 2004/39/EC (the Markets in Financial Instruments Directive) and which has been duly appointed directly or indirectly by the issuer to make such offers, provided that such financial intermediary states on its website that it has been duly appointed as a financial intermediary to offer the relevant Tranche of Notes during the Offer Period and that it is relying on this Base Prospectus to do so;
- (iii) the consent only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in each Relevant Member State specified in the applicable Final Terms; and
- (iv) the consent is subject to any other conditions set out in Part B of the applicable Final Terms.

Any Offeror falling within sub-paragraph (ii)(b) above who meets all of the other conditions stated above and wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website that it is relying on this Base Prospectus for such Public Offer with the consent of the Issuer.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus. The Issuer accepts responsibility, in the jurisdictions to which the consent to use the Base Prospectus extends, for the content of this Base Prospectus in relation to any Investor who acquires any Notes in a Public Offer made by any person to whom consent has been given to use this Base Prospectus in that connection in accordance with the preceding paragraph, provided that such Public Offer has been made in accordance with all the Conditions attached to that consent.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area including France, Italy, Switzerland and United Kingdom, see "*Subscription and Sale*".

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and in the Final Terms;**
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;**
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;**
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant underlying and financial markets; and**
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

In this Base Prospectus, unless otherwise specified or the context otherwise requires, all references to:

- "€", "**Euro**", "**EUR**" or "**euro**" are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999;
- "£", "**pounds sterling**", "**GBP**" and "**Sterling**" are to the lawful currency of the United Kingdom;
- "\$", "**USD**" and "**U.S. Dollars**" are to the lawful currency of the United States of America;
- "¥", "**JPY**", "**Japanese yen**" and "**Yen**" are to the lawful currency of Japan; and
- "**Swiss francs**" or "**CHF**" are to the lawful currency of Switzerland.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary with the mention of "Not Applicable".

Section A – Introduction and warnings

Element	
A.1	<p>Introduction</p> <p>This summary should be read as an introduction to the Base Prospectus. Any decision to invest in any Notes should be based on a consideration of the Base Prospectus as a whole.</p> <p>Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>No civil liability will attach to the Issuer solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or, following the implementation of the relevant provisions of Directive 2010/73/EC in the relevant Member State, it does not provide, when read together with the other parts of the Base Prospectus, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Notes.</p>
A.2	<p>Consent</p> <p>[Not Applicable – The Issuer has not consented to the use of the Base Prospectus by any other person to resell or place any Notes.] OR [The Issuer consents to the use of this Base Prospectus in connection with a resale or placement of Notes in circumstances where a prospectus is required to be published under the Prospectus Directive (a Public Offer) subject to the following conditions:</p> <p>(i) the consent is only valid during the [<i>offer period for the issue to be specified here</i>] (the Offer Period);</p> <p>(ii) the only persons authorised to use the Base Prospectus to make the Public Offer (Offerors) are [<i>Offerors for the issue to be set out here</i>] and, if the Issuer appoints additional financial intermediaries after the date of the applicable Final Terms and publishes details of them on its website, each financial intermediary whose details are so published] / [any financial intermediary which acknowledges on its website that it has been duly appointed as an Offeror to offer the Notes during the Offer Period and states that it is relying on the Base Prospectus to do so, provided that such financial intermediary has in fact been so appointed];</p>

Element	
	<p>(iii) the consent only extends to the use of this Base Prospectus to make Public Offers of the Notes in [<i>specify each Relevant Member State in which the particular Tranche of Notes can be offered</i>]; and</p> <p>(iv) the consent is subject to the following other conditions [<i>specify any other conditions applicable to the Public Offer of the particular Tranche</i>].</p> <p>[Any Offeror falling within sub-paragraph (ii) above who meets all of the other conditions stated above and wishes to use the Base Prospectus in connection with a Public Offer is required, at the relevant time, to publish on its website that it is relying on the Base Prospectus for such Public Offer with the consent of the Issuer.] [<i>Delete unless the second option in (ii) above is selected</i>]</p> <p>[The consent referred to above is valid for the period of [<i>offer period for the issue to be specified here</i>] from the date of the Base Prospectus.</p> <p>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.]</p>

Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	Crédit Industriel et Commercial (CIC or the Issuer)
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer is a <i>société anonyme</i> incorporated and domiciled in Paris, France under the French <i>Code de Commerce</i> .
B.4b	Trend information	Not Applicable. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year indicated by the Issuer.
B.5	Description of the Group	The Issuer is the holding company and head of the bank network serving the greater Paris region, comprises five regional banks and specialist entities covering all areas of finance and insurance both in France and abroad. The entities are:
Retail banking network:		CIC Nord Ouest (100%), CIC Ouest (100%), CIC Sud Ouest (100%), CIC Est (100%), CIC Lyonnaise de Banque (100%)
Private banking:		CIC Banque Transatlantique (100%), Dubly Douilhet (62.7%), Banque CIC Suisse (100%), Banque de Luxembourg (72.4%), CIC Private Banking – Banque Pasche (100%)
Private equity		CM-CIC Capital Finance (100%)

Element	Title																																																	
		<p>Specialised businesses: CM-CIC Asset Management (23.5%), CM-CIC Gestion (100%), CM-CIC Epargne Salariale (99.9%), CM-CIC Securities (100%), CM-CIC Bail (99.2%), CM-CIC Lease (54.1%), CM-CIC Factor (95.5%) CM-CIC Aidexport (100%)</p> <p>Insurance: Groupe des Assurances de Cr�dit Mutuel (20.5%)</p> <p>Shared services companies: Euro Information (12.5%), GIE CM_CIC Titres (no capital) GIE CM-CIC Services (no capital)</p>																																																
B.9	Profit forecast or estimate	Not Applicable. CIC does not provide profit forecasts.																																																
B.10	Audit report qualifications	Not Applicable – No qualifications are contained in the audit or review reports included in the Base Prospectus.																																																
B.12	<p>Selected historical key financial information:</p> <p>Statement of Financial Position</p> <p>The tables below sets out summary information extracted from the Issuer's audited statement of financial position as at 31 December 2010 and 31 December 2011 and from the Issuer's unaudited statement of financial position as at 30 June 2011, 30 September 2011 30 June 2012 and 30 September 2012:</p> <table border="1"> <thead> <tr> <th>(in € millions)</th> <th>December 2011</th> <th>December 2010</th> </tr> </thead> <tbody> <tr> <td>Cash and amounts due from central banks</td> <td>3.74</td> <td>5.403</td> </tr> <tr> <td>Financial assets at fair value through profit or loss</td> <td>24.639</td> <td>28.601</td> </tr> <tr> <td>Derivatives used for hedging purposes</td> <td>98</td> <td>127</td> </tr> <tr> <td>Available-for-sale financial assets</td> <td>17.569</td> <td>20.522</td> </tr> <tr> <td>Loans and receivables due from credit institutions</td> <td>35.603</td> <td>42.909</td> </tr> <tr> <td>Loans and receivables due from customers</td> <td>132.303</td> <td>127.462</td> </tr> <tr> <td>Remeasurement adjustment on portfolios hedged for interest rate risk</td> <td>755</td> <td>601</td> </tr> <tr> <td>Held-to-maturity financial assets</td> <td>78</td> <td>91</td> </tr> <tr> <td>Current tax assets</td> <td>623</td> <td>504</td> </tr> <tr> <td>Deferred tax assets</td> <td>980</td> <td>767</td> </tr> <tr> <td>Accruals and other assets</td> <td>13.529</td> <td>11.66</td> </tr> <tr> <td>Investments in associates</td> <td>1.403</td> <td>1.375</td> </tr> <tr> <td>Investment property</td> <td>23</td> <td>23</td> </tr> <tr> <td>Property and equipment and finance leases (lessee accounting)</td> <td>1.588</td> <td>1.606</td> </tr> <tr> <td>Intangible assets</td> <td>265</td> <td>299</td> </tr> </tbody> </table>	(in € millions)	December 2011	December 2010	Cash and amounts due from central banks	3.74	5.403	Financial assets at fair value through profit or loss	24.639	28.601	Derivatives used for hedging purposes	98	127	Available-for-sale financial assets	17.569	20.522	Loans and receivables due from credit institutions	35.603	42.909	Loans and receivables due from customers	132.303	127.462	Remeasurement adjustment on portfolios hedged for interest rate risk	755	601	Held-to-maturity financial assets	78	91	Current tax assets	623	504	Deferred tax assets	980	767	Accruals and other assets	13.529	11.66	Investments in associates	1.403	1.375	Investment property	23	23	Property and equipment and finance leases (lessee accounting)	1.588	1.606	Intangible assets	265	299	
(in € millions)	December 2011	December 2010																																																
Cash and amounts due from central banks	3.74	5.403																																																
Financial assets at fair value through profit or loss	24.639	28.601																																																
Derivatives used for hedging purposes	98	127																																																
Available-for-sale financial assets	17.569	20.522																																																
Loans and receivables due from credit institutions	35.603	42.909																																																
Loans and receivables due from customers	132.303	127.462																																																
Remeasurement adjustment on portfolios hedged for interest rate risk	755	601																																																
Held-to-maturity financial assets	78	91																																																
Current tax assets	623	504																																																
Deferred tax assets	980	767																																																
Accruals and other assets	13.529	11.66																																																
Investments in associates	1.403	1.375																																																
Investment property	23	23																																																
Property and equipment and finance leases (lessee accounting)	1.588	1.606																																																
Intangible assets	265	299																																																

Element	Title						
	Goodwill			87		86	
		June 2012	June 2011	Sept 2011	Sept 2012	Dec 2011	Dec 2010
	Total assets	232742	247173	NA	NA	233283	242036
	Total liabilities & Equity	232742	247173	NA	NA	233283	242036
	Consolidated income statement						
	Net banking income	2228	2420	668	1041	4166	4,637
	Net income	392	526	NA	NA	579	1144
	Equity capital						
	Shareholders' equity	9965	10215	NA	NA	9507	9879
	Consolidated Cash Flow Statement						
	change in net cash	2 735	-7 175	NA	NA	-11101	12908
	<i>Statements of no significant or material adverse change</i>						
	There has been no significant change in the financial position of the Issuer since 30 September 2012 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.						
B.13	Events impacting the Issuer's solvency	Not Applicable. There are no events particular to the Issuer which are to a material extent relevant to an evaluation of its solvency.					
B.14	Dependence upon other Group entities	<p>See item B5 for the Group and the Issuer's position within the Group.</p> <p>The Issuer is the ultimate holding company of all the companies in the retail banking network, private banking and private equity sectors of the Group. The Issuer is also the holding company of seven specialised businesses in the Group and holds shares in three other companies which are controlled by Crédit Mutuel. As the holding company, the Issuer is dependent on the other members of the Group and revenues received from them.</p>					
B.15	Principal activities						
	<i>Retail banking</i>	The core business of CIC comprises all of the Group's banking and specialist activities which products are distributed via the network's five regional divisions and the network in the greater Paris region. These include life insurance and property-casualty insurance, equipment leasing, real estate leasing, factoring, fund management, employee savings plans and real estate.					

Element	Title	
	<i>Financing</i>	Encompasses credit facilities for large corporate and institutional customers, specialized financing (export financing, project and asset financing, etc.), international operations and foreign branches.
	<i>Capital Markets</i>	Comprises, in general, customer and proprietary transactions involving interest rate instruments, foreign currencies and equities, including brokerage services.
	<i>Private banking</i>	Offers a broad range of finance and private asset management expertise to entrepreneurs and private investors.
	<i>Private equity</i>	Includes equity investments, M&A advisory and financial and capital markets engineering.
B.16	Controlling shareholders	At 31 December 2011 Banque Fédérative du Crédit Mutuel (BFCM), which is 93 per cent. owned by Caisse Fédérale de Crédit Mutuel, held 92.6 per cent. of the capital of CIC both directly (73 per cent.) and through its wholly-owned subsidiary Ventadour Investissement. BFCM is therefore the controlling shareholder of the Issuer.
B.17	Credit ratings	The Issuer has been rated A+ by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc (S&P), Aa3 by Moody's Investor Services Ltd (Moody's) and A+ by Fitch Ratings Ltd (Fitch). [The Notes have [not] been rated [<i>specify rating(s) of Tranche being issued</i>] by [<i>specify rating agency(ies)</i>].

Section C – Securities

Element	Title	
C.1	Description of Notes/ISIN	The Notes are [<i>specify currency of Notes being issued</i>] [<i>specify fixed interest rate of Notes being issued</i>] per cent. / Floating Rate / Zero Coupon / Credit Linked / Index Linked / Equity Linked / Inflation Linked Notes and the International Securities Identification Number (ISIN) of the Notes is [●].
C.2	Currency	The currency of the Notes is [●].
C.5	Restrictions on free transferability	Not Applicable. There are no restrictions on the free transferability of the Notes.
C.8	Rights attached to the Notes, including ranking and limitation of these rights	<p><u>Rights attached to the Notes</u></p> <p><i>Interest Payments</i></p> <p>The Notes are [fixed rate Notes] / [zero coupon Notes] / [floating rate Notes] / [fixed-to-floating rate Notes]</p> <p><i>Negative pledge</i></p> <p>The terms of the Notes contain a negative pledge provision in respect of any present or future indebtedness which is in the form of notes, bonds, debentures, debenture stock, loan stock or other securities which (with the consent of the issuer of the indebtedness) are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and any guarantee or indemnity in respect of any such indebtedness unless, in the case of a security interest, a similar security interest is granted to the Notes.</p> <p><i>Repayment</i></p> <p>The Notes provide for repayment [at par] / [of an index linked/equity linked/credit linked/inflation linked redemption amount] on the Maturity Date.</p> <p><i>Early Redemption</i></p> <p>The Issuer is entitled to redeem the Notes prior to the maturity date for taxation reasons. Noteholders are entitled to call for redemption in case of an event of default.</p> <p>[<i>Insert in the case of a call option of the Issuer: In addition, the Issuer has the right to redeem the Notes prior to the maturity date on [date(s)], subject to prior notice.</i>]/</p>

Element	Title	
		<p>[Insert in the case of a put option of the Noteholder: [In addition, e][E]ach Noteholder is entitled to call its Notes for early repayment on [date(s)], subject to prior written notice to the agent.]]</p> <p><i>Events of default</i></p> <p>The terms of the Notes contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> (a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time; (b) non-performance or non-observance by the Issuer of any of its respective other obligations under the conditions of the Notes, continuing for a specified period of time; and (c) events relating to the insolvency or winding up of the Issuer. <p><i>Meetings</i></p> <p>The terms of the Notes contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p><i>Status</i></p> <p>The Notes constitute direct, unconditional, unsubordinated and (subject to the negative pledge) unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p><u>Limitation of the rights:</u></p> <p><i>Prescription</i></p> <p>The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the date on which such payment first</p>

Element	Title	
		becomes due.
C.9	Interest/Redemption	<p>See Element C8</p> <p>Interest</p> <p>[Fixed Rate: The Notes bear interest at the fixed rate of [<i>specify rate for Notes being issued</i>] per cent. per annum. The yield of the Notes is [<i>specify yield for Notes being issued</i>] per cent. Interest will be paid [annually] in arrear on [<i>specify interest payment dates for Notes being issued</i>] in each year. The first interest payment will be made on [<i>specify first interest payment date for Notes being issued</i>].]</p> <p>[Floating Rate: The Notes bear interest at floating rates calculated by reference to [<i>specify reference rate for Notes being issued</i>] [plus/minus] a margin of [<i>specify margin for Notes being issued</i>] per cent. Interest will be paid [semi-annually] in arrear on [<i>specify interest payment dates for Notes being issued</i>] in each year, subject to adjustment for non-business days. The first interest payment will be made on [<i>specify first interest payment date for Notes being issued</i>].]</p> <p>[Zero-Coupon: The Notes do not bear any interest and will be offered and sold at a discount to their nominal amount.]</p> <p>Redemption</p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [<i>specify final maturity date of Notes being issued</i>] [at [100] [<i>specify other</i>] per cent. of their nominal amount.] or [at an amount determined in accordance with the formula specified in the Final Terms.] The Notes may be redeemed early for tax reasons [or [<i>specify any other early redemption option applicable to the Notes being issued</i>]] at [<i>specify the early redemption price and any maximum or minimum redemption amounts, applicable to the Notes being issued</i>].</p> <p>Representative of holders</p> <p>Not Applicable. No representative of the Noteholders has been appointed by the Issuer.</p>
C.10	Derivative component in interest payment	<p>See Element C9</p> <p>[<i>specify</i>] / [Not applicable – There is no derivative component in the interest payments.]</p>

Element	Title	
C.11	Admission to trading	<p>Notes issued under the Programme may be listed and admitted to trading on the Luxembourg Stock Exchange or such other stock exchange or market specified below, or may be issued on an unlisted basis.</p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market] of the [Luxembourg Stock Exchange/specify other regulated market] [The Notes are not intended to be admitted to trading on any market.]</p>
C.15	Any underlying which may affect the value of the Notes	<p>[Not Applicable – There are no underlying instruments which may affect the value of the Notes.]/[The value of the Notes may be affected by the [performance of [for Equity-Linked Notes: [the Shares of a company] [a Basket of Shares]] [for Index-Linked Notes: [an Index] [a Basket of Indices]] [for Inflation-Linked Notes: [insert the relevant inflation]] [for Credit-Linked Notes: [the credit risk and default of one or more Reference Entit[y][ies]]]</p>
C.16	Exercise date/final reference date	<p>[Not Applicable – The Notes are not exercisable and the return on the Notes is not calculated by reference to any reference dates.]/[insert date]</p>
C.17	Settlement procedure of derivative securities	<p>[Not Applicable – The Notes are not derivative securities.] / The Notes are [not] physically settled.]</p>
C.18	Return on derivative securities	<p>[Not Applicable – The Notes are not derivative securities.]/</p> <p>[The Notes are (in the case of Index Linked Notes select the relevant formula for calculation from the following:)]</p> <p>[Autocall with [Guaranteed Coupon]/[Conditional Coupon without Memory Effect]/[Conditional Coupon with Memory Effect]]/[Reverse Convertible [with European Barrier]/[with American Barrier]]/ [Shark [with European Barrier]/[with American Barrier]]/ [Bonus [with European Barrier]/[with American Barrier]] / [Callable Stability]/[Call] Index Linked Notes]/</p> <p>(in the case of Credit Linked Notes, state:) [Credit Linked Notes]/</p> <p>(in the case of Equity Linked Notes select the relevant formula for calculation from the following:)] [Autocall with [Guaranteed Coupon]/[Conditional Coupon without Memory Effect]/[Conditional Coupon with Memory Effect]]/[Reverse Convertible [with European Barrier]/[with American Barrier]]/ [Shark [with European Barrier]/[with American Barrier]]/ [Bonus [with European Barrier]/[with American Barrier]] / [Callable Stability]/[Call]/[Himalaya] Equity Linked Notes]/</p>

Element	Title	
		<i>(in the case of Inflation Linked Notes, state:)</i> [Inflation Linked Notes]
C.19	Exercise price/final reference price of the underlying	[Not Applicable – The Notes do not have an underlying.]/ <i>[insert the relevant exercise price or final reference price of the relevant underlying]</i>
C.20	Underlying	<p>[Not Applicable – The Notes do not have an underlying.]/</p> <p>[The underlying of the Notes [is/are] <i>[in the case of Index Linked Notes insert the relevant index or indices and information on such index(ices) may be found on [insert relevant website, etc]]</i>]/</p> <p><i>[in the case of Credit Linked Notes, insert the relevant reference entity or entities and information on such reference entity(ies) may be found on [insert relevant website, etc]]</i>/</p> <p><i>[in the case of Equity Linked Notes, insert the relevant share company(ies) and information on such share company(ies) may be found on [insert relevant website, etc]]</i>/</p> <p><i>[in the case of Inflation Linked Notes, insert the relevant inflation index and information on such inflation index may be found on [insert relevant website, etc]]</i></p>

Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer	<p>In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. The Issuer has identified in the Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes. These factors include risks relating to:</p> <p>Credit risk inherent to the banking business; asset-liability management risk; interest rate risk; liquidity risk; currency risk; equity risk; market risk including credit derivatives; European capital adequacy ratio and operational risk.</p>
D.3	Key risks regarding the Notes	<p>There are also risks associated with the Notes. These include a range of market risks (including that there may be no or only a limited secondary market in the Notes, that the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency, that any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes and that changes in interest rates will affect the value of the Notes), the fact that the conditions of the Notes may be modified without the consent of the holder in certain circumstances, that the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable law and that investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them.</p>
D.6	Risk warning	<p>See Element D3</p> <p>In the event of the insolvency of the Issuer or if it is otherwise unable or unwilling to repay the Notes when repayment falls due, an investor may lose all or part of his investment in the Notes.</p>

Section E – Offer

Element	Title		
E.2b	Reasons for the Offer and Use of proceeds	The net proceeds from the issue of the Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.	
E.3	Terms and conditions of the offer	<p>[The Notes are being offered to <i>[specify]</i>].</p> <p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealer(s) at the time of issue.</p> <p>[Not Applicable. The Notes are in denominations of at least €100,000 (or its equivalent in any other currency).]/</p> <p>[An Investor intending to acquire or acquiring any Notes from an Offeror other than the Issuer will do so, and offers and sales of Notes to an Investor by such Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements.</p>	
		The time period, including any possible amendments, during which the offer will be open and description of the application process:	[•] to [•]
		Offer Price:	[Issue Price]/[Not applicable]/ <i>[specify]</i>
		Conditions to which the offer is subject:	[Not applicable]/ <i>[specify]</i>
		Offer Period:	[Not applicable]/ <i>[specify]</i>
		Description of the application process:	[Not applicable]/ <i>[specify]</i>
		Details of the minimum and/or maximum amount of application:	[Not applicable]/ <i>[specify]</i>
		Description of possibility to reduce subscriptions and manner for refunding excess amount paid by the applicants:	[Not applicable]/ <i>[specify]</i>
		Details of the method and	[Not applicable]/ <i>[specify]</i>

Element	Title		
		time limits for paying up and delivering the Notes:	
		Manner and date in which results of the offer are to be made public:	[Not applicable]/[specify]
		Procedure for exercise of any right of pre-emption, negotiability and subscription rights and treatment of the subscription rights not exercised:	[Not applicable]/[specify]
		Whether tranche(s) have been reserved for certain countries:	[Not applicable]/[specify]
		Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable]/[specify]
		Amount of any expenses and taxes specifically charged to the subscriber or purchaser	[Not applicable]/[specify]
E.4	Interest of natural and legal persons involved in the issue/offer	The [Dealers/Managers] will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes. Any [Dealer/Manager] and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their respective] affiliates in the ordinary course of business.	
E.7	Expenses charged to the investor by the Issuer or an offeror	[Not Applicable – No expenses will be charged to investors by the Issuer.]/ [specify]	

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer: Cr dit Industriel et Commercial

Risk factors relating to the Issuer: They are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out at pages 70 to 99 of CIC's *Document de R f rence* 2011 which is incorporated by reference in this Base Prospectus. Such risk factors include: Credit risk inherent to the banking business; asset-liability management risk; interest rate risk; liquidity risk; currency risk; equity risk; market risk including credit derivatives; European capital adequacy ratio and operational risk.

Risk factors relating to the Notes: There are certain factors which are material for the purpose of assessing the risks associated with Notes issued under the Programme. These are set out under the heading "*Risk Factors relating to the Notes*" below. Such risk factors include: risks relating to French insolvency law and the reform of French interest withholding tax rules in France, risks related to the structure of a particular issue of Notes (Indexed Notes; Credit Linked Notes; Equity Linked Notes; Inflation Linked Notes; variable rate Notes with a multiplier or other leverage factor; Inverse Floating Rate Notes; Fixed to Floating Rate Notes; Notes issued at a substantial discount or premium); risks relating to market disruption and adjustments; risks relating to Physical Delivery Notes; risks relating to optional redemption by the Issuer; risks relating to Early Redemption such as unwind costs and fair market value; risks relating to structured Notes; risks relating to the market generally such as secondary market risks, risks relating to the market value of the Notes and Exchange rate risks and exchange control risks; risks relating to hedging.

Description: Structured Euro Medium Term Note Programme

Arranger: Cr dit Industriel et Commercial

Dealers: Banque de Luxembourg

CIC Est

Cr dit Industriel et Commercial

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purpose of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale*".

Under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, which implements the Prospectus Directive, prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of such Act and do not need to be approved by the CSSF.

Principal Paying Agent:

BNP Paribas Securities Services, Luxembourg Branch or the entity specified as such in the applicable Final Terms.

Calculation Agent:

BNP Paribas Securities Services, Luxembourg Branch or the entity specified as such in the applicable Final Terms.

Paying Agent:

BNP Paribas Securities Services, London Branch or the entity specified as such in the applicable Final Terms.

Programme Size:

Up to EUR 2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Currencies:

Notes may be denominated, subject to any applicable legal or regulatory restrictions, in any currency agreed between the Issuer and the relevant Dealer.

Maturities:

The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any

laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form in the Specified Currency and Specified Denomination(s) and definitive Notes will be serially numbered.
Terms of Notes:	The terms of the Notes will be specified in the applicable Final Terms. The following types of Notes may be issued: (i) Fixed Rate Notes, (ii) Floating Rate Notes, (iii) Zero Coupon Notes or (iv) Notes linked to the underlying reference asset(s) specified in the applicable Final Terms such as Credit Linked Notes, Index Linked Notes, Equity Linked Notes, Inflation Linked Notes or any combination thereof.
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. For further details, see condition 6 in the Terms and Conditions.</p> <p>The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.</p>
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Certain Conditions of the Notes:	See "Terms and conditions of the Notes" on pages 111 to 212 for a description of certain terms and conditions applicable to all Notes issued under the Programme.
Taxation:	All payments in respect of the Notes will be made without deduction for or an account of withholding taxes imposed by the Republic of France or any political subdivision or any authority thereof or therein having power to tax, as provided in Condition 7 (Taxation), unless such withholding is required by law. In the event that any such withholding is made, the Issuer

will, save in certain limited circumstances provided in Condition 7 (Taxation), be required to pay additional amounts to cover the amounts so withheld.

Rating:

The Issuer has been rated A+ by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc (**S&P**), Aa3 by Moody's Investor Services Ltd (**Moody's**) and A+ by Fitch Ratings Ltd (**Fitch**). Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the Final Terms and not necessarily be the same as the rating(s) assigned to the Issuer. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Approval, Admission to trading and Listing:

Application has been made to the CSSF to approve this document as a base prospectus. Application may also be made for Notes issued under the Programme to be listed on Official List of the Luxembourg Stock Exchange. Admission to trading is sought on the Regulated Market of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Such factors are set out at pages 70 to 99 of Crédit Industriel et Commercial's *Document de Référence* 2011 incorporated herein by reference (see "*Documents Incorporated by Reference*").

French Insolvency Law

Under French insolvency law as amended, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a preservation (*procédure de sauvegarde*), an accelerated financial preservation procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a Euro Medium Term Notes programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing-off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke of the Assembly.

For the avoidance of doubt, the provisions relating to the Meetings of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus and the Agency Agreement will not be applicable to the extent they are not in compliance with mandatory insolvency law provisions that apply in these circumstances.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the complex structure of certain Notes

Some Notes are particularly complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

An investment in the Notes may involve a high degree of risk, including the risk that the entire amount invested may be lost. The Issuer, will invest in and trade securities and other financial instruments using a variety of investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity and fixed-income, markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equity, currency and OTC derivative markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment in Notes will be a successful one. The Issuer may utilise investment techniques such as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts to hedge payments due under the Notes, which practices could adversely affect the value of the Notes.

Short selling technique may be used to provide indexation of payments under the Note. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to benefit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Structured Notes

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of interest rates, shares or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant interest rates, shares or other indices or formulae should be taken as an indication of future performance of such interest rates, shares or other indices or formulae during the term of any Notes.

The prices at which Zero Coupon Notes, as well as other Notes issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

There are particular risks associated with an investment in certain types of Notes such as Indexed Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

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

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of a Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

No Claim against any Underlying Reference

A Note will not represent a claim against any underlying reference asset(s) (**Underlying Reference(s)**) to which the amount of principal and/or interest payable or amount of specified assets deliverable in respect of the Notes is dependent and, in the event that the amount paid by the Issuer or value of the specified assets delivered on redemption of the Notes is less than the principal amount of the Notes, a Noteholder will not have recourse under a Note to any Underlying Reference. In addition investing in a Note will not entitle the Noteholder to benefit from a voting right (if any) attached to an Underlying Reference.

An investment in Notes linked to one or more Underlying Reference may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section "*Risks related to the structure of a particular issues of Notes*". The amount paid or value of the

specified assets delivered by the Issuer on redemption of such Notes may be less than the principal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero.

Limited Exposure to Underlying Reference

If the applicable Final Terms provide that the exposure of any Credit Linked Notes, Index Linked Notes, Equity Linked Notes, Inflation Linked Notes, and other Notes linked to an Underlying Reference to one or more Underlying References is limited or capped to a certain level or amount, such Notes will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

In the event that the Issuer would be required to pay additional amounts in respect of any Notes due to any withholding as provided in Condition 7 of the Terms and Conditions of the Notes, the Issuer may and, in certain circumstances, shall redeem all of the Notes then outstanding in accordance with the Terms and Conditions of the Notes.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, the Noteholder may not receive the total amount of the capital invested.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

There are particular risks associated with Credit Linked Notes. In particular, the investor is exposed to the credit risk of another entity or other entities of the Issuer and may lose some or all of the amount invested.

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon whether certain events have occurred in respect of a specified entity(-ies) (the **Reference Entity** or **Reference Entities** as applicable) and, if so, on the value of certain specified assets of the Reference Entity or where, if such events have occurred, on redemption the Issuer's obligation is to deliver certain specified assets (**Credit Linked Notes**).

Potential investors in any such Notes should be aware that depending on the terms of the Credit Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected, (iii) they may lose all or a substantial portion of their investment and (iv) Notes may be redeemed partially following early redemption of the Underlying Reference.

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

Where the Notes provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the Settlement Date or (b) assets which the Issuer and/or any affiliate has not received under the terms of any transaction entered into by the Issuer and/or such affiliate to hedge the Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and as a result, the amount of principal payable on redemption. Potential investors should review the Terms and Conditions of the Notes and the applicable Final Terms to ascertain whether and how such provisions should apply to the Notes. The market value of delivered assets may be less than the principal amount of a Note. Any shortfall shall be borne by the Noteholders and the Issuer shall assume no liability.

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

The particular risks involved in an investment in Index Linked Notes include volatility, effects of leverage and the loss of part of or all principal amount invested.

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the level of an index or indices, or upon a formula encompassing a combination of a number of components, which can be indices or securities or derivatives or any other component (**Index Linked Notes**).

Potential investors in any such Notes should be aware that depending on the terms of the Index Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the index or indices or any component of the formula may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices or similar components and the timing of changes in the relevant level of the index or indices or the components of the formula may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices or the components of the formula on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the index or indices or of any component of the formula. The level of the index, indices, components or the formula may be affected by the economic, financial and political events in one or more jurisdictions, including but not limited to the stock exchange(s) or quotation system(s) on which any securities comprising the index, indices or the formula may be traded.

Investors in Equity Linked Notes are exposed to volatility risks, leverage risks, performance of the share or basket of share risks.

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon the price of, or changes in the price of, share(s) or a basket of shares or where, depending on the price of or change in the price of shares or the basket of shares, on redemption the Issuer's obligation is to deliver specified assets (**Equity Linked Notes**).

Potential investors in any such Notes should be aware that depending on the terms of the Equity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the share or basket of shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the share(s) may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the share(s), the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the share(s) on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date, the volatility of the share(s), the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant share(s) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such shares may be traded.

There are specific risks associated with an investment in Inflation Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon changes in the level of inflation (**Inflation Linked Notes**).

The risk factors set out under "Index Linked Notes" above also apply to Inflation Linked Notes. In addition, the decision to purchase Inflation Linked Notes involves complex financial appreciations and risks as the inflation cannot be foreseen with any degree of certainty. The yield of Inflation Linked Notes may be lower than the yield of non Inflation Linked Notes. The Issuer makes no representation as to the tax treatment of such Notes or as to the lawfulness of the purchase of such Notes in any jurisdiction.

Market Disruption and adjustments provisions may affect the value and liquidity of the Notes as well as post pone due dates for payment.

If an issue of Credit Linked Notes, Index Linked Notes, Equity Linked Notes, Inflation Linked Notes, Debt Security Notes or other notes linked to an Underlying Reference includes provisions dealing with the occurrence of a Market Disruption Event or any other event, however defined, set out under Conditions 18 to 21 and affecting such Note (a **Disruption Event**) on a Valuation Date, Observation Date, Averaging Date or any other relevant date and the Calculation Agent determines that a Disruption Event has occurred or exists on such Valuation Date, Observation Date, such Averaging Date, any consequential postponement of the Valuation Date, Observation Date or Averaging Date or any other relevant date, alternative provisions for valuation provided in any such Notes may have an adverse effect on the value and liquidity of such Notes. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Notes such that the Noteholder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Notes than otherwise would have been the case. The occurrence of such a Disruption Event in relation to any Underlying Reference comprising a basket may also have such an

adverse effect on Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the relevant due date for payment under the Notes and/or Maturity Date.

Physical Delivery Notes involve specific risks linked to the occurrence of a Settlement Disruption Event.

The value of Notes to be settled by way of physical delivery may be affected and/or the settlement of such Notes may be delayed if in the opinion of the Calculation Agent, delivery of the Asset Amount (being the amount of relevant asset relating to each Note as set out in the Final Terms) using the method of delivery specified in the applicable Final Terms, or such other commercially reasonable manner as the Calculation Agent has determined, is impracticable because a Settlement Disruption Event has occurred and is continuing on the Delivery Date. A Settlement Disruption Event is an event beyond the control of the Issuer as a result of which, in the opinion of the Calculation Agent, delivery of the specified assets to be delivered by or on behalf of the Issuer is not practicable.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in an investor losing all of his investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of those Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Early Redemption Unwind Costs

Investors should note that, if so specified in the applicable Final Terms, the Early Redemption Amount in respect of the relevant Series of Notes will include a deduction in respect of Early Redemption Unwind Costs. If the Early Redemption Unwind Costs are stated to be Standard Early Redemption Costs, then such amount will comprise an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position.

Early Redemption – "Fair Market Value"

Investors should note that, if "Fair Market Value" is specified in the applicable Final Terms as the Early Redemption Amount, the Early Redemption Amount in respect of the relevant Series of Notes will be an amount determined by the Calculation Agent, which, shall represent the fair market value of the Notes on, or at a time determined by the Calculation Agent during a period not exceeding seven (7) Business Days immediately prior to, the date on which a notice of early redemption is deemed to have been given to the Noteholders pursuant to Condition 6.4 and Condition 13 and shall have the effect (after taking into account the costs of unwinding any hedging arrangements, as determined by the Issuer in its sole and absolute discretion, entered into in respect of the Notes) of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date.

Risks relating to Notes and the market generally

Set out below is a brief description of certain risks relating to the Notes and the market generally:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency, credit or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that certain Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of the reference assets or an index, including, but not limited to, the volatility of the reference assets or an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes, the reference assets or the index depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes, the reference assets, the securities taken up in the index, or the index are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Note.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payment in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-

registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus. The list of registered and certified rating agencies published by the ESMA on its website (<http://www.esma.europa.eu/page/Listregistered-and-CRAs>) in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Hedging may adversely affect the price, liquidity or value of the Notes

In the ordinary course of its business, including without limitation in connection with its market making activities, the Issuer and/or any of its affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the underlying asset(s) or related derivatives. In addition, in connection with the offering of the Notes, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the underlying asset(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the underlying asset(s) or related derivatives which may affect the market price, liquidity or value of the Notes and which could be adverse to the interests of the relevant Noteholders.

Conflicts of interest linked to the Issuer as an affiliate acting as Dealer or Calculation Agent

Where the Issuer acts as Dealer or Calculation Agent or the Calculation Agent or the Dealer is an affiliate of the Issuer, potential conflicts of interest may exist between the Dealer or the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Notes that may influence the amount receivable or specified assets deliverable on redemption of the Notes.

The Issuer and any Dealer may at the date hereof or at any time hereafter, be in possession of information in relation to an Underlying Reference that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer or any Dealer to disclose to Noteholders any such information.

The Issuer and/or any of its affiliates may also engage in trading activities (including hedging activities) related to the Underlying Reference of any Note and other instruments or derivative products based on or related to the Underlying Reference of any such Notes for their proprietary accounts or for other accounts under their management and may pursue actions thereto without regard to the consequences for Noteholders. The Issuer and/or any of its affiliates may also issue other derivative instruments in respect of the Underlying Reference of such Notes. The Issuer and/or its affiliates may also act as an underwriter in connection with future offerings of Shares or other securities related to an issue of such Notes or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies. The Issuer and/or any of its affiliates may acquire non-public information in respect of an Underlying Reference which will not be provided to Noteholders. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Notes.

The Issuer and/or any of its affiliates may have existing or future business relationships with any Underlying Reference (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising there from without regard to the consequences for a Noteholder.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest (or similar income) than expected and could significantly adversely affect their return on the Notes

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State or to certain entities established in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If, following implementation of the Savings Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Foreign Account Tax Compliance withholding may affect payments on the Notes

The U.S. Foreign Account Tax Compliance Act (or **FATCA**) imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer is classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Any such withholding imposed on the Issuer or other FFIs in its group may have a material adverse effect on the group's business, prospects, results of operations and financial position. If an amount in respect of FATCA Withholding were to be deducted or withheld from any payments, neither the Issuer nor any other person will pay additional amounts as a result of the deduction or withholding. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act.*"

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Taxation

Potential purchasers and sellers of Notes should be aware that they may be required to pay taxes or documentary charges in accordance with the laws and practices of the country where the Notes are transferred and/or any asset(s) are delivered or deemed located.

Moreover, taxation regime may change from time to time depending on taxation policy of relevant authorities and the personal situation of the investor. No development made in this Base Prospectus shall be read as a legal or tax advice and investors should require personal advice from their own independent and qualified counsels.

Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks relating to forward looking statements

The documentation relating to any particular issuance of Notes under the Programme may contain forward-looking statements. Forward looking-statements are statements that are not historical facts, including statements about the Issuer's beliefs and expectations. Any statement in this document (including any document incorporated by reference) that states the Issuer's intentions, beliefs, expectations or predictions (and their underlying assumptions) is a forward-looking statement. These statements are based on plans, estimates, and projections as they are currently available to the management of the Issuer. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results of the Issuer or of the Notes to differ materially from those contained in any forward-looking statement. Without limiting the generality of the foregoing, the inclusion of forward-looking statements herein should not be regarded as a representation by the Issuer or any other person of the results that will actually be achieved by the Notes. The Issuer has no obligation to update or otherwise revise any forward-looking statements, including revisions to reflect changes in any circumstances arising after the date hereof relating to any assumptions or otherwise.

Risks relating to the general economic situation

Due to the fact that the Issuer offers services to the general public, it is exposed to the general risk of a deterioration in its situation as a result of economic recessions, large-scale natural disasters, armed conflict,

slowdown of the French, European or world economy, fluctuations in unemployment rates and the consumer credit trend and price competition in the market segments where the Issuer is active.

Adverse changes in market or economic conditions could create a challenging operating environment for financial institutions in the future. Such adverse changes could result, in particular, from high volatility in commodities prices (including oil), increases in interest rates, adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts), or a deterioration in credit market conditions. The Issuer faces a number of specific risks, with respect to adverse future market or economic conditions. Financial markets in France, in Europe and elsewhere may decline or experience increased volatility, which could lead to a decline in capital markets transactions, cash inflows and commissions. Adverse economic conditions could reduce demand for loans by borrowers or increase the rate of defaults by borrowers. These developments would adversely affect the Issuer's net banking income. Revenues and profitability could also be depressed by market losses in the Issuer's securities portfolio or proprietary positions, all resulting from adverse market or economic developments.

In addition, the current financial situation may lead the European Union as well as governments in jurisdictions where the Issuer operates to increase the level of regulation of financial markets. This may have an impact on the Issuer's operations and results.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Base Prospectus:

- (1) An English translation of the *Document de Référence* relating to the Issuer, incorporating the audited consolidated and non consolidated annual accounts of the Issuer for the year ended 31 December 2010 and registered with the *Autorité des marchés financiers* on 26 April 2011 under number D.11-0362 (the **2010 AR**);
- (2) An English translation of the *Document de Référence* relating to the Issuer, incorporating the audited consolidated and non consolidated annual accounts of the Issuer for the year ended 31 December 2011 and registered with the *Autorité des marchés financiers* on 20 April 2012 under number D.12-0377 (the **2011 AR**);
- (3) The *Rapport financier semestriel juin 2012* of the Issuer (interim financial statements as at 30 June 2012) (in French) (the **June 2012 Interim Report** or **IFR 2012**);
- (4) An English translation of the Issuer's quarterly financial information for the three-month period ended 30 September 2012 and the relating press release dated 14 November 2012 (the **Third-quarter 2012**);
- (5) The terms and conditions of the Notes contained on pages 93 to 206 of the base prospectus dated 21 November 2007;
- (6) The terms and conditions of the Notes contained on pages 95 to 207 of the base prospectus dated 12 December 2008;
- (7) The terms and conditions of the Notes contained on pages 97 to 215 of the base prospectus dated 11 December 2009;
- (8) The terms and conditions of the Notes contained on pages 105 to 240 of the base prospectus dated 21 January 2011; and
- (9) The terms and conditions of the Notes contained on pages 107 to 243 of the base prospectus dated 20 January 2012,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer 6, avenue de Provence, 75009 Paris, France, on the Issuer's website www.cic.fr (hyperlink: <https://www.cic.fr/fr/banques/le-cic/institutionnel/actionnaires-investisseurs/>) and on the Luxembourg Stock Exchange's website at www.bourse.lu. This Base Prospectus will also be published on the Issuer's website www.cic.fr and on the Luxembourg Stock Exchange's website at www.bourse.lu.

The Issuer will in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus, which is capable of affecting the assessment of any Notes,

prepare a supplement to this Base Prospectus or publish a new prospectus, in each case to be approved by the CSSF, for use in connection with any subsequent issue of Notes.

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation

CROSS-REFERENCE LIST RELATING TO INFORMATION INCORPORATED BY REFERENCE

	Page(s)
	(page(s) correspond to the page(s) of the 2011 AR unless otherwise specified)
SELECTED FINANCIAL INFORMATION	
Selected historical financial information regarding the Issuer	6 to 7 IFR 2012 5 to 9
RISK FACTORS	
Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a section headed " <i>Risk Factors</i> "	70 to 99
INFORMATION ABOUT THE ISSUER	
History and development of the Issuer.	30-31 and 207
The legal and commercial name of the Issuer.	207
Place of registration of the Issuer and its registration number	207
The date of incorporation and the length of life of the Issuer.	207
Domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office.	207
Any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	n/a
BUSINESS OVERVIEW	
Description of the Issuer's principal activities stating the main categories of products sold and/or services performed	10 to 27, 67 to 69 and 207
A brief description of the principal markets in which the issuer competes.	6
ORGANISATIONAL STRUCTURE	
Brief description of the group and of the Issuer's position within it	8 to 9 and 120 to 122

If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence	32
 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
Names, business addresses and functions in the Issuer of the members of the administrative, management or supervisory bodies and of the partners with unlimited liability and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to the Issuer	37 to 46
(b) members of the administrative, management or supervisory bodies;	
(c) partners with unlimited liability, in the case of a limited partnership with a share capital.	
 BOARD PRACTICES	
Details relating to the Issuer's audit committee	49 to 51
A statement regarding the Issuer's corporate governance regime	50
 MAJOR SHAREHOLDERS	
Statement as to whether the Issuer is directly or indirectly owned or controlled and by whom, and description of the nature of such control, and of the measures in place to assure that such control is not abused	32 to 33
 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
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Accounting policies and explanatory notes (excerpts)	105-150, 156 to 189
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INTERIM AND OTHER FINANCIAL INFORMATION	All pages of Third Quarter 2012
ADDITIONAL INFORMATION	
Amount of the issued capital number and classes of the shares	31-34, 148
Memorandum and Articles of Association	31, 203, 207
Registration, entry number and description of the Issuer's objects and purposes	207
14 November Press Release	All pages of the 14 November Press Release

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THIS BASE PROSPECTUS

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer having taken all reasonable care to ensure that such is the case the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Crédit Industriel et Commercial

6, Avenue de Provence
75009 Paris

Duly represented by
Philippe VIDAL
Deputy Chief Executive Officer
(Directeur Général Délégué)

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the

Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the Issuer. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 1 year and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 9.00 p.m. (Paris time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 18 January 2013 and executed by the Issuer.

**FORM OF FINAL TERMS
NOTES WITH A DENOMINATION OF LESS THAN €100,000
(OR ITS EQUIVALENT IN ANY OTHER CURRENCY)**

Set out below in the form of Final Terms which will be completed for each Tranche of Notes which have a denomination of less than €100,000 (or its equivalent in any other currency) issued under the Programme

Final Terms dated [●]

[add logo if listed]

CREDIT INDUSTRIEL ET COMMERCIAL

€ 2,000,000,000

Structured Euro Medium Term Note Programme

(the Programme)

***Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Programme***

Any person making or intending to make an offer of the Notes may only do so:

- (i) in those Public Offer Jurisdictions mentioned in Paragraph *[insert]* of Part B below, provided such person is of a kind specified in that paragraph and that the offer is made during the Offer Period specified in that paragraph; or
- (ii) otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled "Terms and Conditions of the Notes" [and the section entitled "Technical Annex"] (*delete if not Index Linked or Equity Linked*) in the Base Prospectus dated 18 January 2013 [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus has been and the Final Terms will be published on the Luxembourg Stock Exchange website www.bourse.lu.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled "Terms and Conditions of the Notes" in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated [date of supplement]] which [is/are] incorporated by reference in the Base Prospectus dated 18 January 2013. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 18 January 2013 [and the Supplement to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**) including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus has been and the Final Terms will be published on the Luxembourg Stock Exchange website www.bourse.lu.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

1. (a) Series Number: [●]
- (b) Tranche Number: [●]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
- (c) Date on which the Notes will be consolidated and form a single series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]]/[Not Applicable]
2. Specified Currency: [●]
3. Aggregate Nominal Amount:
 - (a) Series: [●]
 - (b) Tranche: [●]
4. [(a)] Issue Price of Tranche: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*]] (*in the case of fungible issues only if applicable*)
[(b)] Net Proceeds: [●] (*Required only for listed issues*)
5. (a) Specified Denomination(s) [●]
- (b) Calculation Amount: [●]

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)

6. [(a)] Issue Date [and Interest Commencement Date]: [●]
- [(b)] Interest Commencement Date (if different from the Issue Date): [●]
7. Maturity Date or Redemption Date: *[If Fixed Rate, specify date – If Floating Rate: Interest Payment Date falling in or nearest to [specify date]]*
8. Type of Notes:
- (a) [Fixed Rate/Floating Rate/Zero Coupon/Credit Linked/ Index Linked/Equity Linked/Inflation Linked]
- (b) The Notes relate to *[describe the relevant underlying]*.
9. Interest Basis: [[●] per cent. Fixed Rate]/ [[LIBOR/EURIBOR/CMS/EONIA/CPTFEMU] +/- [●] per cent. Floating Rate / [Zero Coupon]
- (further particulars specified below)
10. Redemption: *[Redemption at par: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.]*
[Index Linked Redemption]
[Equity Linked Redemption]
[Inflation Linked Redemption]
[Zero Coupon]
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. Change of Interest Basis: *[Specify details of any provision for change of Notes into another Interest Basis or cross refer paragraphs [15] and [16] below if details are included there]/[Not Applicable]*
12. Put/Call Options: [Investor Put]
[Issuer Call]
[Not Applicable]
- [(further particulars specified below)]

13. Date of Board approval for issuance of the Notes: The issue of the Notes has been authorised by a resolution of the Issuer's *Conseil d'Administration* (Board of Directors) dated [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

[Subject to the provisions of item [18][19][20][21]]
(insert in the case of Credit Linked, Index Linked, Equity Linked or Inflation Linked Notes which bear interest)

- (a) Fixed Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date

- (b) Interest Payment Date(s): [*insert date*] in each year up to and including the Maturity Date

(Amend appropriately in the case of irregular coupons)

- (c) Fixed Coupon Amount(s): [●] per Calculation Amount

- (d) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/[Not Applicable]

[Insert particulars of any Initial or Final Broken Amounts of interest which do not correspond with the Fixed Coupon Amount(s)]

- (e) Day Count Fraction: [30/360][Actual/Actual (ICMA)]

- (f) Determination Date(s): [[●] in each year]/[Not Applicable]

(Only relevant where Day Count Fraction is Actual / Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)

15. **Floating Rate Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

[Subject to the provisions of item [18][19][20][21]]
(insert in the case of Credit Linked, Index Linked, Equity Linked or Inflation Linked Notes which bear interest)

- (a) Interest Period(s): [*insert period(s)*]

- (b) Interest Payment Date(s): *[insert dates(s)]*
- (c) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/FBF Determination]
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): /[Not Applicable]
- (e) Screen Rate Determination:
- Reference Rate and Relevant Financial Centre: Reference Rate: [] month
[LIBOR/EURIBOR/CMS/EONIA/*(inflation)*CPTFEMU].

[London/Brussels/specify other Relevant Financial Centre]
 - Interest Determination Date(s):
(Second London business day prior to the start of each Interest Period if LIBOR and second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR)
 - Specified Time: *(which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR)*
 - Relevant Screen Page:
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (f) ISDA Determination:
- Floating Rate Option:
 - Designated Maturity:
 - Reset Date:

(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (g) FBF Determination:
- Floating Rate:
 - Floating Rate Determination Date:

- FBF Definitions: (if different from those set out in the Conditions):
 - (h) Margin(s): per cent. per annum
 - (i) Minimum Rate of Interest: per cent. per annum
 - (j) Maximum Rate of Interest: per cent. per annum
 - (k) Day Count Fraction:
 - [Actual/Actual (ISDA)]/[Actual/Actual]
 - [Actual/365 – FBF]/
 - [Actual/365 (Fixed)]/
 - [Actual/365 (Sterling)]/
 - [Actual/360]/
 - [30/360]/[360/360]/[Bond Basis]/
 - [30E/360]/[Eurobond basis]/
 - [30E/360 (ISDA)]
- 16. Zero Coupon Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Accrual Yield: per cent. per annum
 - (b) Reference Price:
- (Consider applicable Day Count Fraction if euro denominated)*
- (c) Day Count Fraction in relation to Early Redemption Amounts:
 - [30/360]/
 - [Actual/360]/
 - [Actual/365]
- 17. Index Linked Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (If applicable and the Notes bear interest please complete items 15 or 16)*
- (a) Index/Indices:
 - (b) Screen Page: *[Specify if applicable, or give the sources of observation for each index]*
 - (c) Component Transactions:
 - (d) Formula:
 - [Autocall with [Guaranteed Coupon]/[Conditional Coupon without Memory Effect]/[Conditional Coupon with Memory Effect]]

[In the case of Autocall specify Autocall Trigger Level: [●] per cent. Of the Initial Price.]/[In the case of Conditional Coupon specify Coupon Trigger Level: [●] per cent. of the Initial Price]/
 [Reverse Convertible [with European Barrier]/[with American Barrier]]/
 [Shark [with European Barrier]/[with American Barrier]] [In the case of Shark specify Rebate: [●] per cent.]/
 [Bonus [with European Barrier]/[with American Barrier]] [In the case of Bonus specify Bonus: [●] per cent. and Cap [●] per cent.]/
 [Callable Stability]/
 [Call]

- (e) Calculation Agent responsible for calculating any amount due under the Notes: [●] (NB. Specify name and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)
- (f) Settlement Price [●]
- (g) Valuation Method: The Valuation Method shall be [Highest]/[Average Highest]/[Market Value]
- (h) Quotation Method: The Quotation Method shall be [Bid]/[Mid]/[Ask]
- (i) Quotation Amount: The Quotation Amount shall be [●]/[As set out in the Conditions]
- (j) Averaging: Averaging [applies/does not apply] to the Notes.
 [The Averaging Dates are [●].]
 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
 [Modified Postponement]
- (only applicable if Modified Postponement is applicable as an Averaging election)*
 [Specified Maximum Days of Disruption will be equal to: [●]/[eight]]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (k) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] will apply.]
- (l) Observation Period: [Specify/Not Applicable]
- (m) Exchange Business Day: [●]

- (n) Scheduled Trading Day:
- (o) Exchange(s) and Index Sponsor: (i) the relevant Exchange[s] and
(ii) the relevant Index Sponsor is .
- (p) Related Exchange: [*Specify*/Each exchange or quotation system on which option contracts or futures contracts relating such Index is traded]
- (q) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is , being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time*).
- (r) Additional Disruption Events: [(i)] The following Additional Disruption Events apply to the Notes:
(Specify each of the following which applies.)
[Change of Law]
[Hedging Disruption]
[Increased Cost of Hedging]
[Increased Cost of Stock Borrow]
[Loss of Stock Borrow]
- [(ii)] [The Trade Date is . [*If no Trade Date is specified, Issue Date will be the Trade Date*]

(*N.B. only applicable if Change of Law and/or Increased Cost of Hedging is applicable*)]
- [(iii)] [The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant Share*] is .

(*N.B. only applicable if Loss of Stock Borrow is applicable*)]
- [(iv)] [The Initial Stock Loan rate in respect of [*specify in relation to each relevant Share*] is .

(*N.B. only applicable if Increased Cost of Stock Borrow is applicable*)]
- (s) Market Disruption Specified Maximum Days of Disruption will be equal to /[eight]

(*if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)

- (t) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-in Level: [Specify]
- (ii) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (iii) Knock-in Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-in Period Ending Date: [Not Applicable/specify]
- (v) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]
- (u) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day,
- [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-out Level: [Specify]
- (ii) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-out Period Ending Date: [Not Applicable/specify]
- (v) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]
- (v) Automatic Early Redemption Event: [Not Applicable/specify/["greater than or equal to"/"less than"/"less than or equal to"] Automatic Early

Redemption Level]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Automatic Early [Specify/See definition in Condition 19]
Redemption Amount:
- (ii) Automatic Early [Specify]
Redemption Date(s):
- (iii) Automatic Early [Specify]
Redemption Level:
- (iv) Automatic Early [Specify]
Redemption Rate:
- (v) Automatic Early [Specify]
Redemption Valuation
Date(s):

18. Credit Linked Notes Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(If applicable and the Notes bear interest please complete item 15 or 16)

- (a) Reference Period: The period commencing at or after 12.01 a.m., Greenwich Mean Time (GMT) on (and including) [specify date] and ending at or prior to 11.59 p.m., GMT on (and including, subject as provided below) the Scheduled Termination Date. [if other period applicable, delete previous sentence and insert applicable provisions]
- (b) Scheduled Termination Date: [Maturity Date unless otherwise specified]
- (c) Reference Entity [●] and any Successor
- (d) Reference Obligation [●]
- (e) Reference Obligation Notional Amount [●]
- (f) Issuer¹ [[●]/Not Applicable]
- (g) Guarantor¹ [[●]/Not Applicable]
- (h) All Guarantees [Applicable/Not Applicable]

¹ This relates to the Reference Entity and/or the Reference Obligation.

- (i) Obligation
- Obligation Category: [Payment]
 [Borrowed Money]
 [Reference Obligations Only]
 [Bond]
 [Loan]
 [Bond or Loan]
- Obligation Characteristics: [Not Subordinated]
 [Not Sovereign Lender]
 [Specified currency]
 [Not Domestic Currency]
 [Not Domestic Law]
 [Listed]
 [Not Domestic Issuance]
- Excluded Obligations: [None]/[specify]
- (j) Grace Period: [The number of days equal to the grace period with respect to payments in accordance with the terms of, and under, the relevant Obligation, and, if no grace period is applicable, zero./insert maximum number of days]
- (k) Maturity Date Extension: [Applicable/Not Applicable]
- (l) Credit Events: [Bankruptcy]
 [Failure to Pay]
 [Loss Event]
 [Obligation Acceleration]
 [Obligation Default]
 [Rating Downgrade]
 [Repudiation/Moratorium]
 [Restructuring:
 [Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable]
 [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable]
 [Multiple Holder Obligation: Applicable]]
- (m) Payment Requirement: [Applicable/Not Applicable]
- [Specify]
- (If not specified, Payment Requirement will be USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable).*

- (n) Default Requirement: [Applicable/Not Applicable]
 [Specify]
(If not specified, Default Requirement will be USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).
- (o) Conditions to Settlement (if any): Notice of Publicly Available Information:
 [Applicable/Not applicable]
 If applicable: **Specified Number:** [●] *(if applicable and not specified, it shall be two)*
- (p) Settlement: [Auction/Cash/Physical] Settlement *(please specify)*
Terms relating to Physical Settlement:
- (i) Deliverable Obligations: [Exclude Accrued Interest]
- (ii) Deliverable Obligations: Deliverable Obligation Category: [Payment]
 [Borrowed Money]
 [Reference Obligation Only]
 [Bond]
 [Loan]
 [Bond or Loan]
- Deliverable Obligation Characteristics: [Not Subordinated]
 [Specified Currency]
 [Not Domestic Currency]
 [Not Sovereign Lender]
 [Not Domestic Law]
 [Listed]
 [Not contingent]
 [Not Domestic Issuance]
 [Assignable Loan]
 [Consent Required Loan]
 [Transferable]
 [Maximum Maturity]
 [Not Bearer]
- Excluded Obligations: [None][specify]

- (iii) Physical Settlement Period: The longest of the number of Business Days for settlement in accordance with the then current market practice of any Deliverable Obligation being Delivered, as determined by the Calculation Agent, subject to a minimum of [30/90/120/other] Business Days following the satisfaction of all Conditions to Settlement.
- (iv) Number of calendar days' notice (Notice of Physical Settlement): [0/5/specify number] days
[insert number of calendar days prior to Physical Settlement Date]
- (v) Physical Settlement Date: The date within the Physical Settlement Period upon which all the Deliverable Obligations specified in the Notice of Physical Settlement are Delivered; provided that if on the last day of the Physical Settlement Period the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered due to any reason as set out in Conditions 18.8, 18.9, 18.10 and 18.12 (*Partial Cash Settlement Terms*), the Physical Settlement Date shall be the last day of the Physical Settlement Period.
- (vi) Latest Permissible Physical Settlement Date: [[specify number] days after the final day of the Physical Settlement Period].
- (vii) Unwind Amount: [Applicable/Not Applicable]

Terms relating to Cash Settlement:

- (viii) Valuation Date: [●]
- (ix) Valuation Time: [As set out in the Condition] / [(specify other)]
- (x) Quotation Method: [Bid]/[Mid]/[Ask]
- (xi) Quotation Amount: [●]
- (xii) Cash Settlement Date: [As set out in the Conditions] / [(specify other)]
- (xiii) Cash Settlement Amount [As set out in the Conditions] / [(specify other)]
- (xiv) Valuation Method: [Exclude Accrued Interest/Include Accrued Interest]
(for determination of Final Price) *(set out ISDA valuation method or other valuation method in full)*
- (xv) Unwind Amount [Applicable/Not Applicable]

Terms relating to Auction Settlement:

- (xvi) Fallback Settlement Method: [Cash Settlement/Physical Settlement]

- | | | |
|---------|--|--|
| (xvii) | Auction Settlement Amount: | Auction Final Price |
| (xviii) | Business Day Convention: | [Following/Modified Following/Preceding] |
| (xix) | Succession Event Backstop Date subject to adjustment in accordance with Business Day Convention: | [Yes/No] |
| (xx) | Limitation Dates subject to adjustment in accordance with Business Day Convention: | [Yes/No] |
| (xxi) | Hedging Arrangement Notifying Party: | [Buyer/Seller/Buyer or Seller] |
| (q) | Knock-in Event: | <p>[Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]</p> <p><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p> <p>[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]</p> |
| (i) | Knock-in Level: | [Specify] |
| (ii) | Knock-in Determination Day(s): | [Specify/Each Scheduled Trading Day in the Knock-in Determination Period] |
| (iii) | Knock-in Period Beginning Date: | [Not Applicable/specify] |
| (iv) | Knock-in Period Ending Date: | [Not Applicable/specify] |
| (v) | Knock-in Valuation Time: | [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.] |
| (r) | Knock-out Event: | <p>[Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]</p> <p><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i></p> <p>[In the event that a Knock-in Determination Day is a</p> |

Disrupted Day,

[Omission/Postponement/Modified Postponement]
will apply.]

- (i) Knock-out Level: [Specify]
- (ii) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-out Period Ending Date: [Not Applicable/specify]
- (v) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]

19. Equity Linked Note Provisions

[Applicable/Not Applicable]

(if not applicable, delete the remaining subparagraphs of this paragraph)

(if applicable and the Notes bear interest please complete item 15 or 16)

- (a) Share(s): [●]
- (b) ISIN of Share(s): [Specify]
- (c) Screen Page/Exchange Code: [Specify]
- (d) Formula: [Autocall with [Guaranteed Coupon]/[Conditional Coupon without Memory Effect]/[Conditional Coupon with Memory Effect] *[In the case of Autocall specify: Autocall Trigger Level: [●] per cent. of the Initial Price]**[In the case of Conditional Coupon specify Coupon Trigger Level: [●] per cent. of the Initial Price]*]/
[Reverse Convertible [with European Barrier]/[with American Barrier]]/
[Shark [with European Barrier]/[with American Barrier]] *[In the case of Shark specify Rebate: [●] per cent.]*/
[Bonus [with European Barrier]/[with American Barrier]] *[In the case of Bonus specify Bonus: [●] per cent. and Cap [●] per cent.]*/
[Callable Stability]/
[Call]/
[Himalaya]
- (e) Settlement Price: The Settlement Price will be calculated *[insert calculation method]*/[As set out in the Conditions]

- [Exchange Rate:[●]]
- (f) Calculation Agent responsible for calculating any amount due under the Notes: [●] *(NB. Specify name and address)*
- (g) Averaging Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- [Modified Postponement]
- (only applicable if Modified Postponement is applicable as an Averaging election).*
- [Specified Maximum Days of Disruption will be equal to: [●]/[eight]]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (h) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (i) Observation Period: [*Specify*/Not Applicable]
- (j) Exchange Business Day: [●]
- (k) Scheduled Trading Day: [●]
- (l) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (m) Related Exchange(s): [*Specify*/Each exchange or quotation system on which option contracts or futures contracts relating such Share are traded]
- (n) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] *(N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).*
- (o) Additional Disruption Events: [(i)] The following Additional Disruption Events apply to the Notes:
(Specify each of the following which applies.)

[Change of Law]
 [Hedging Disruption]
 [Insolvency Filing]
 [Failure to Deliver]
 [Increased Cost of Hedging]
 [Increased Cost of Stock Borrow]
 [Loss of Stock Borrow]

[(ii)] [The Trade Date is [●]].

(N.B. only applicable if Change of Law and/or Increased Cost of Hedging is applicable)

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

(N.B. only applicable if Loss of Stock Borrow is applicable)

[(iv)] [The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [●]].

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

- (p) Market Disruption Specified Maximum Days of Disruption will be equal to [●]/[eight]:
(if no Specific Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to eight)
- (q) Delayed Redemption on Occurrence of Extraordinary Event [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraph of this paragraph)
 [Rate for accrual of interest [●]/as specified in the Terms and Conditions]
- (r) Tender Offer [Applicable/Not Applicable]
- (s) Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency (delete as appropriate) Share Substitution [is applicable/is not applicable]/[specify other].
- (t) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (i) Knock-in Level: [Specify]
- (ii) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (iii) Knock-in Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-in Period Ending Date: [Not Applicable/specify]
- (v) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]
- (u) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]

(If not applicable, delete the remaining subparagraphs of this paragraph)

[In the event that a Knock-in Determination Day is a Disrupted Day,
[Omission/Postponement/Modified Postponement] will apply.]

- (i) Knock-out Level: [Specify]
- (ii) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-out Period Ending Date: [Not Applicable/specify]
- (v) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]
- (v) Automatic Early Redemption Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] Automatic Early Redemption Price]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Automatic Early Redemption Amount: [Specify/See definition in Condition 20.7]

- (ii) Automatic Early Redemption Date(s): *[Specify]*
- (iii) Automatic Early Redemption Price: *[Specify]*
- (iv) Automatic Early Redemption Rate: *[Specify]*
- (v) Automatic Early Redemption Valuation Date(s): *[Specify]*
- (vi) Automatic Early Redemption Number of Shares: *[Not Applicable/specify]*

20. Inflation Linked Note Provisions *[Applicable/Not Applicable]*

(If not applicable, delete the remaining subparagraphs of this paragraph)

(If applicable and the Notes bear interest please complete item 16)

- (a) Index/Indices:
- (b) Screen Page/Exchange Code:
- (c) Formula: see Technical Annex – Part 2

Cap Level:

Floor Level:

Leverage:

- (d) Calculation Agent responsible for calculating the interest due:
- (e) Settlement Price:
- (f) Cut-Off Date: /[Not Applicable]
- (g) Related Bond: /Fall Back Bond
- (h) Issuer of Related Bond: /[Not Applicable]
- (i) Fall Back Bond: *[Applicable/Not Applicable]*
- (j) Index Sponsor:

- (k) Related Bond Redemption Event: [Applicable/Not Applicable]
- (l) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-in Level: [Specify]
- (ii) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (iii) Knock-in Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-in Period Ending Date: [Not Applicable/specify]
- (v) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]
- (m) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day,
- [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-out Level: [Specify]
- (ii) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-out Period Ending Date: [Not Applicable/specify]
- (v) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]

(n) Scheduled Trading Day: [Not Applicable/specify]

21. Business Day Convention

(a) For Interest Payment Dates: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

[Specify applicable Business Day Convention or specify No Adjustment]

(b) For Interest Periods: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

[Specify applicable Business Day Convention or specify No Adjustment]

(c) For the Maturity Date or Redemption Date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]

[Specify applicable Business Day Convention or specify No Adjustment]

(d) Any other date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]

[Specify applicable Business Day Convention or specify No Adjustment]

22. Additional Business Centre(s) (Condition 4.2): [●]

PROVISIONS RELATING TO REDEMPTION

23. Notice periods for Condition 6.2: Minimum period: [] days

Maximum period: [] days

24. Issuer Call [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): [●]

(b) Optional Redemption Amount(s): [[●] per Calculation Amount [less Early Redemption Unwind Costs. Early Redemption Unwind Costs means [Standard Early Redemption Unwind Costs]]/Fair Market Value]

- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [●]
- (ii) Maximum Redemption Amount: [●]
- (d) Notice periods: Minimum period: [] days
Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Investor Put

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s): [●] per Calculation Amount [minus the Early Redemption Fees]
- (c) Early Redemption Fees: [Not Applicable/[●] per cent. of the Calculation Amount]
- (d) Notice periods: Minimum period: [] days
Maximum period: [] days

26. Final Redemption Amount

- (a) [[●] per Calculation Amount] The [Credit/Index/Equity/Inflation/] Linked Redemption Amount specified below]/[Physical Delivery]
- (b) Settlement Method: [Cash Settled Notes]/[Physical Delivery]

(NB: In the case of any Equity Linked Notes or Credit Linked Notes, specify whether the Notes are Cash Settled Notes or Physical Delivery Notes. All other Notes are cash settled Notes)

[If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro

forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.]

27. Early Redemption Amount

(a) Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default: [[●] per Calculation Amount]

(b) Early Redemption Unwind Costs [Applicable/Not Applicable]

[If Applicable:

Standard Early Redemption Unwind Costs/*insert other]*

28. Provisions applicable to Physical Delivery:

[Applicable/Not Applicable]

(if not applicable, delete the remaining subparagraphs of this paragraph)

[(a) Entitlement in relation to each Note: Entitlement in relation to each Note is [*Specify*]

[(b) Relevant Asset(s): [As specified above]/The relevant asset[s] to which the Notes relate [is/are] [*specify*].

[(c) Settlement Business Day(s): [*Specify*]

29. Variation of Settlement:

(a) Issuer's option to vary settlement The Issuer [has/does not have] the option to vary settlement in respect of the Notes.

(b) Variation of Settlement of Physical Delivery Notes: [Notwithstanding the fact that the Notes are Physical Delivery Notes, the Issuer may make payment of the Redemption Amount on the Maturity Date and the provisions of Condition 4.2(b)(ii) will apply to the Notes./The Issuer will procure delivery of the Entitlement in respect of the Notes and the provisions of Condition 4.2(b)(ii) will not apply to the Notes.]

30. Form of Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event]

[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]]

[Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

New Global Note:²

[Yes/No]

- 31.** Additional Financial Centre(s): [Not Applicable/give details] (Note that this paragraph relates to the place of payment)
- 32.** Talons for future Coupons or Receipts to be attached to definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, an exchange into definitive form, more than 27 coupon payments are still to be made / No]

² You should only elect "yes" opposite "New Global Note" if you have elected "yes" to the Section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".

33. Provisions relating to Partly Paid Notes: [Not Applicable] / [Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Amount of each payment comprising the Issue Price: [●]
- (b) Date on which each payment is to be made: [●]
- (c) If different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes: [●]
- (d) interest due on late payment: [●]
34. Provisions relating to Instalment Notes: [Not Applicable/*Applicable*]
amount of each instalment, date on which each payment is to be made: *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [(a) Instalment Amount(s): [●]
- (b) Instalment Date(s): [●]]
35. **Redenomination provisions:** [Not Applicable/The provisions in Condition 3 apply]

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____
Duly authorised

[Estimated net proceeds:

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

Estimated total expenses: [Include breakdown of expenses]]

(N.B.: if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of such net proceeds and total expenses at (ii) and (iii) above are also required.)

6. **[Fixed Rate Notes only – Yield** [Not Applicable] /

Indication of yield:

7. **[Floating Rate Notes only- Historic Interest Rates**

[Not Applicable]

[Details of historic [LIBOR/EURIBOR/CMS/EONIA] rates can be obtained from [Reuters].]

8. **[Performance of Index/ Reference Entity/ Equity, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying**

[Not Applicable]

[Need to include details of where past and future performance and volatility of the index /reference entity/equity/inflation can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Name of the Issuer of the underlying security:

ISIN Code:

Index Name:

Underlying Interest Rate:

Exercise price or final reference price of the underlying:

Relevant weightings of each underlying on the basket: [●]

Description of any market disruption or settlement disruption events concerning the underlying: [●]

Adjustment rules with relation to events concerning the underlying: [●]

Source of information relating to the [index/indices]: [●]

Place where information to the [index/indices] can be obtained: [●]

Expiration/Maturity date of derivative securities [●]

Exercise date or final reference date [●]

(Where the underlying is not an index need to include equivalent information. Where the underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the underlying is a basket of underlying, need to include the relevant weightings of each underlying in the basket.)

Need to include a description of any market disruption or settlement disruption events that affect the underlying and any adjustment rules in relation to events concerning the underlying (if applicable.)

9. Underlying Disclaimer⁴

[For use in connection with Indices (including Inflation Indices)]

[Not Applicable]

[The issue of this series of Notes (in this paragraph, the **Transaction**) is not sponsored, endorsed, sold, or promoted by [NAME OF INDEX] (the **Index**) or [NAME OF INDEX SPONSOR] (the **Index Sponsor**) and the Index Sponsor [makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

⁴ Include for Index Notes (including Inflation Linked Notes).

10. Operational Information

- (a) ISIN Code: []
- (b) Common Code: []
- (c) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (d) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
- (e) Delivery: Delivery [against/free of] payment
- (f) Names and addresses of additional Paying Agent(s) (if any): []
- (g) Intended to be held in a manner which would allow Euro system eligibility⁵: [Yes] [No].
- [Note that the designation "yes" does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. The Notes will be deposited initially upon issue with [one of the ICSDs⁶ acting as common safekeeper / a non-ICSD common safekeeper]] [*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

11. Distribution

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, addresses and underwriting commitments*]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if

⁵ See Part A - "Form of Notes - New Global Note".

⁶ The International Central Securities Depositories (i.e. Euroclear S.A./N.V. and Clearstream Banking, *société anonyme*).

such entities are not the same as the Managers.)

- (c) Date of [Subscription] Agreement: []
- (d) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (e) If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
- (f) Total commission and concession: [] per cent. of the Aggregate Nominal Amount
- (g) Public Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [, [*insert names of financial intermediaries receiving consent (specific consent)*] (the **Initial Authorised Offerors**)] [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Prospectus in connection with the Public Offer as an Authorised Offeror] (together, being persons to whom the issuer has given consent, the **Authorised Offerors**) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) from those identified in the inside cover as being the Member States where the issuer intends to make Public Offers, which must therefore be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*] (the **Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"*] (the **Offer Period**).

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a public offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Public offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

[Terms and Conditions of the Public Offer]

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

[●] to [●]

(Should be from the date of publication of the Final Terms to a specified date or formula such as "the Issue Date" or "the date which falls [●]

Business Days hereafter".)

Total Amount of the Offer:	<i>[insert total amount if fixed][insert a description of arrangements for determining the definitive amount of the Offer]</i>
Offer Price:	<i>[The Issuer has offered the Notes to the Managers at the initial price of [●] less a total commission of [●].] OR [(where the price is not determined at the date of the Final Terms) The issue price of the Notes will be determined by the Issuer and the [Managers] on or about [●] in accordance with market conditions then prevailing, including [supply and demand for the Notes and other similar securities] [and] [the then current market price of [insert relevant benchmark security, if any].</i>
Conditions to which the offer is subject:	<i>[Offer of the Notes are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Financial Intermediaries, notified to Investors by such Financial Intermediaries]]</i>
Offer Period:	<i>See paragraph 11(g) above</i>
[Description of the application process:	<i>N/A unless full application process is being followed in relation to this issue]</i>
Details of the minimum and/or maximum amount of application: ⁷	<i>N/A unless full application process is being followed in relation to this issue]</i>
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by the applicants:	<i>N/A unless full application process is being followed in relation to this issue]</i>
Details of the method and time limits for paying up and delivering the Notes:	<i>[The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Financial Intermediary of their allocation of Notes and the settlement arrangement in respect thereof.]</i>
[Manner and date in which results of the offer are to be made public:	<i>N/A unless the issue is an "up" issue when disclosure must be included]</i>
[Procedure for exercise of any right of pre-emption, negotiability and subscription rights and treatment of the subscription rights not exercised:	<i>N/A unless full application process is being followed in relation to this issue.]</i>
Whether tranche(s) have been reserved	<i>[offers may be made by the Financial</i>

⁷ Whether in number of securities or aggregate amount to invest.

for certain countries and categories of potential investors:

Intermediaries in [*insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported*] to any person [*insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules*]. In other EEA countries, offers will only be made by the Financial Intermediaries pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]

[*For example:*

"Legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities.

Any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts."]

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

[*Process for notification – N/A unless full application process is being followed to the issue.*]

No dealing in the Notes on a regulated market for the purposes of the MiFID Directive 2004/39/EC may take place prior to the Issue Date]

[Amount of any expenses and taxes specifically charged to the subscriber or purchaser

[]]

12. [Placing and Underwriting]⁸

[Not Applicable]

- (a) Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:
- (b) Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):

The Financial Intermediaries identified in or in the manner specified in paragraph [8] above.

[●]

⁸ Required for derivative securities.

- (c) Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements:⁹ [●]

- (d) When the underwriting agreement has been or will be reached: [●]

⁹ Where not all of the issue is underwritten, a statement of the portion not covered.

ANNEX 1

SUMMARY

(ISSUER TO ANNEX SUMMARY TO THE FINAL TERMS HAVING COMPLETED THE RELEVANT ELEMENTS (I.E. [●] TO [●] IN ACCORDANCE WITH THE SPECIFIC CONDITIONS OF THE NOTES)

**FORM OF FINAL TERMS
NOTES WITH A DENOMINATION OF €100,000 OR MORE
(OR ITS EQUIVALENT IN ANY OTHER CURRENCY)**

Set out below in the form of Final Terms which will be completed for each Tranche of Notes which have a denomination of €100,000 or more (or its equivalent in any other currency) issued under the Programme

Final Terms dated [●]

[add logo if listed]

CREDIT INDUSTRIEL ET COMMERCIAL

€ 2,000,000,000

Structured Euro Medium Term Note Programme

(the Programme)

***Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Programme***

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled "Terms and Conditions of the Notes" [and the Section entitled "Technical Annex" (*delete if not Index Linked or Equity Linked*)] in the Base Prospectus dated 18 January 2013 [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC (as amended by Directive 2010/73/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State and the relevant implementing measures in the Grand Duchy of Luxembourg. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been and the Final Terms will be published on the Luxembourg Stock Exchange website www.bourse.lu.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled "Terms and Conditions of the Notes" in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated [●]] which are incorporated by reference in the Base Prospectus dated 18 January 2013. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 18 January 2013 [and the Supplement to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**) including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses. The Base Prospectus has been and the Final Terms will be published on the Luxembourg Stock Exchange website www.bourse.lu.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency]

1. (a) Series Number: [●]
- (b) Tranche Number: [●]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
- (c) Date on which the Notes will be consolidated and form a single series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about *[date]*]/[Not Applicable]

2. Specified Currency: [●]

3. Aggregate Nominal Amount:
 - (a) Series: [●]
 - (b) Tranche: [●]

4. [(a)] Issue Price of Tranche: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only if applicable*)]
- [(b)] Net Proceeds: [●] (*Required only for listed issues*)

5. (a) Specified Denomination(s) [●]
- (NB: Notes must have a minimum denomination of EUR100,000 (or equivalent))*
- (b) Calculation Amount: [●]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

6. [(a)] Issue Date [and Interest Commencement Date]: [●]

- [(b)] Interest Commencement Date (if different from the Issue Date): [●]
7. Maturity Date or Redemption Date: [*If Fixed Rate, specify date – If Floating Rate: Interest Payment Date falling in or nearest to [specify date]*]
8. Type of Notes:
- (a) [Fixed Rate/Floating Rate/Zero Coupon/Credit Linked/ /Index Linked/Equity Linked/Inflation Linked]
- (b) The Notes relate to [*describe the relevant underlying*].
9. Interest Basis:
- [[●] per cent. Fixed Rate]/
- [[LIBOR/EURIBOR/CMS/EONIA/CPTFEMU] +/- [●] per cent. Floating Rate]/
- [Zero Coupon]
- (further particulars specified below)
10. Redemption/[Payment Basis]:
- [*Redemption at par: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.*]
- [Index Linked Redemption]
- [Equity Linked Redemption]
- [Inflation Linked Redemption]
- [Zero Coupon]
- (*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
11. Change of Interest Basis:
- [*Specify details of any provision for change of Notes into another Interest Basis or cross refer paragraphs [15] and [16] below if details are included there*]] / [Not applicable]
12. Put/Call Options:
- [Investor Put]
- [Issuer Call]
- [(further particulars specified below)]
13. Date of Board approval for issuance of the Notes:
- The issue of the Notes has been authorised by a resolution of the Issuer's *Conseil d'Administration* (Board of Directors) dated [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14. Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Subject to the provisions of item [18][19][20][21]]
- (insert in case of Index Linked, Credit Linked, Equity Linked or Inflation Linked Notes which bear interest)*
- (a) Fixed Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [*insert date*] in each year up to and including the Maturity Date
- (Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount
- (d) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/ [Not applicable]
- [Insert particulars of any Initial or Final Broken Amounts of interest which do not correspond with the Fixed Coupon Amount(s)]*
- (e) Day Count Fraction: [30/360][Actual/Actual (ICMA)]
- (f) Determination Date(s): [[●] in each year]/ [Not applicable]
- (Only relevant where Day Count Fraction is Actual / Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- 15. Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Subject to the provisions of item [18][19][20][21]]
- (insert in case of Index Linked, Credit Linked, Equity Linked or Inflation Linked Notes which bear interest)*
- (a) Interest Period(s): [*insert period(s)*]
- (b) Interest Payment Date(s): [*insert date(s)*]

- (c) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/FBF Determination]
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●]/[Not Applicable]
- (e) Screen Rate Determination:
- Reference Rate and Relevant Financial Centre: Reference Rate [] month [LIBOR/EURIBOR/CMS/EONIA/ (inflation) CPTFEMU].
[London/Brussels/specify other Relevant Financial Centre]
 - Interest Determination Date(s): [●]
(Second London business day prior to the start of each Interest Period if LIBOR and second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR)
 - Specified Time: [●] *(which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR)*
 - Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (f) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (g) FBF Determination:
- Floating Rate: [●]
 - Floating Rate Determination Date: [●]

	– FBF Definitions: (if different from those set out in the Conditions):	[●]
(h)	Margin(s):	[+/-][●] per cent. per annum
(i)	Minimum Rate of Interest:	[●] per cent. per annum
(j)	Maximum Rate of Interest:	[●] per cent. per annum
(k)	Day Count Fraction:	[[Actual/Actual (ISDA)],[Actual/Actual] [Actual/365 – FBF]/ [Actual/365 (Fixed)]/ [Actual/365 (Sterling)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360]/[Eurobond basis]/ [30E/360 (ISDA)]
16.	Zero Coupon Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a)	Accrual Yield:	[●] per cent. per annum
(b)	Reference Price:	[●] <i>(Consider applicable Day Count Fraction if euro denominated)</i>
(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
17.	Index Linked Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> <i>(If applicable and the Notes bear interest, please fill item 15 or 16)</i>
(a)	Index/Indices:	[●]
(b)	Screen Page:	<i>[Specify if applicable, or give the sources of observation for each index]</i>
(c)	Component Transactions:	[●]
(d)	Formula:	[Autocall with [Guaranteed Coupon]/[Conditional Coupon without Memory Effect]/[Conditional Coupon with Memory Effect] <i>[In the case of Autocall specify</i>

Autocall Trigger Level: [●] per cent. Of the Initial Price.] [*In the case of Conditional Coupon specify Coupon Trigger Level:* [●] per cent. of the Initial Price]]/
 [Reverse Convertible [with European Barrier]/[with American Barrier]]/
 [Shark [with European Barrier]/[with American Barrier] [*In the case of Shark specify Rebate:* [●] per cent.]]/
 [Bonus [with European Barrier]/[with American Barrier] [*In the case of Bonus specify Bonus:* [●] per cent. and Cap [●] per cent.]]/
 [Callable Stability]/
 [Call]

- (e) Calculation Agent responsible for calculating the interest due: [●] (*NB. Specify name and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address*)
- (f) Settlement Price [●]
- (g) Valuation Method: The Valuation Method shall be [*insert calculation method*]/[As set out in the Conditions]

N/B: If as set out in the conditions, specify:
 [Highest]/[Average Highest]/[Market Value]
- (h) Quotation Method: The Quotation Method shall be [Bid] / [Mid] / [Ask]
- (i) Quotation Amount: The Quotation Amount shall be [●]/[As set out in the Conditions]
- (j) Averaging: Averaging [applies/does not apply] to the Notes.

 [The Averaging Dates are [●].]

 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

 [Modified Postponement]

(only applicable if Modified Postponement is applicable as an Averaging election)

 [Specified Maximum Days of Disruption will be equal to: [●]/[eight]]

(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)
- (k) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.]. [In the event that an Observation Date is a Disrupted

- Day/[Omission/Postponement/Modified Postponement] will apply.]
- (l) Observation Period: [Specify/Not Applicable]
- (m) Exchange Business Day: [●]
- (n) Scheduled Trading Day: [●]
- (o) Exchange(s) and Index Sponsor: (i) the relevant Exchange[s] [is/are] [●] and
(ii) the relevant Index Sponsor is [●].
- (p) Related Exchange: [Specify/Each exchange or quotation system on which option contracts or futures contracts relating such Index is traded]
- (q) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).
- (r) Additional Disruption Events: [(i)] The following Additional Disruption Events apply to the Notes:
(Specify each of the following which applies.)
[Change of Law]
[Hedging Disruption]
[Increased Cost of Hedging]
[Increased Cost of Stock Borrow]
[Loss of Stock Borrow]
- [(ii)] [The Trade Date is [●]. [If no Trade Date is specified, Issue Date will be the Trade Date]
(N.B. only applicable if Change of Law and/or Increased Cost of Hedging is applicable)]
- [(iii)] [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is [●].
(N.B. only applicable if Loss of Stock Borrow is applicable)]
- [(iv)] [The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [●].
(N.B. only applicable if Increased Cost of Stock Borrow is applicable)]

- (s) Market Disruption Specified Maximum Days of Disruption will be equal to [●]/[eight]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (t) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-in Level: [Specify]
- (ii) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (iii) Knock-in Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-in Period Ending Date: [Not Applicable/specify]
- (v) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]
- (u) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day,
- [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-out Level: [Specify]
- (ii) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-out Period Ending Date: [Not Applicable/specify]

Date:

- (v) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]
- (v) Automatic Early Redemption Event: [Not Applicable/specify/["greater than or equal to"/"less than"/"less than or equal to"] Automatic Early Redemption Level]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Automatic Early Redemption Amount: [Specify/See definition in Condition 19]
- (ii) Automatic Early Redemption Date(s): [Specify]
- (iii) Automatic Early Redemption Level: [Specify]
- (iv) Automatic Early Redemption Rate: [Specify]
- (v) Automatic Early Redemption Valuation Date(s): [Specify]

18. Credit Linked Interest Notes Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(If applicable and the Notes bear interest, please fill item 15 or 16)

- (a) Reference Period: The period commencing at or after 12.01 a.m., Greenwich Mean Time (GMT) on (and including) [specify date] and ending at or prior to 11.59 p.m., GMT on (and including, subject as provided below) the Scheduled Termination Date. [if other period applicable, delete previous sentence and insert applicable provisions]
- (b) Scheduled Termination Date: [Maturity Date unless otherwise specified]
- (c) Reference Entity [●] and any Successor
- (d) Reference Obligation [●]
- (e) Reference Obligation Notional Amount [●]
- (f) Insurer ¹ [[●]/Not Applicable]

- (g) Guarantor¹ [[●]/Not Applicable]
- (h) All Guarantees [Applicable/Not Applicable]
- (i) Obligation
- Obligation Category: [Payment]
[Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]

Obligation Characteristics: [Not Subordinated]
[Not Sovereign Lender]
[Specified currency]
[Not Domestic Currency]
[Not Domestic Law]
[Listed]
[Not Domestic Issuance]

Excluded Obligations: [None][*specify*]
- (j) Grace Period: [The number of days equal to the grace period with respect to payments in accordance with the terms of, and under, the relevant Obligation, and, if no grace period is applicable, zero./*insert maximum number of days*]
- (k) Maturity Date Extension: [Applicable]/[Not Applicable]
- (l) Credit Events: [Bankruptcy]
[Failure to Pay]
[Loss Event]
[Obligation Acceleration]
[Obligation Default]
[Rating Downgrade]
[Repudiation/Moratorium]
[Restructuring:
[Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable]
[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable]
[Multiple Holder Obligation: Applicable]]]
- (m) Payment Requirement: [Applicable/Not Applicable]
- [Specify]*
- (If not specified, Payment Requirement will be USD1,000,000 or its equivalent in the relevant*

Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable).

(n) Default Requirement: [Applicable/Not Applicable]

[Specify]

(If not specified, Default Requirement will be USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).

(o) Conditions to Settlement (if any): Notice of Publicly Available Information:

[Applicable/Not applicable]

If applicable: **Specified Number:** [●] *(if applicable and not specified, it shall be two)*

(p) Settlement: [Auction/Cash/Physical] Settlement *(please specify)*

Terms relating to Physical Settlement:

(i) Deliverable Obligations: [Exclude Accrued Interest]

(ii) Deliverable Obligations: Deliverable Obligation Category: [Payment]
[Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]

Deliverable Obligation Characteristics: [Not Subordinated]
[Specified Currency]
[Not Domestic Currency]
[Not Sovereign Lender]
[Not Domestic Law]
[Listed]
[Not contingent]
[Not Domestic Issuance]
[Assignable Loan]
[Consent Required Loan]
[Transferable]
[Maximum Maturity]
[Not Bearer]

Excluded Obligations: [None]*[specify]*

(iii) Physical Settlement Period: The longest of the number of Business Days for settlement in accordance with the then current market practice of any Deliverable Obligation being Delivered, as determined by the Calculation Agent,

subject to a minimum of [30/90/120/other] Business Days following the satisfaction of all Conditions to Settlement.

- (iv) Number of calendar days' notice (Notice of Physical Settlement) [0/5/specify number] days
[insert number of calendar days prior to Physical Settlement Date]
- (v) Physical Settlement Date: The date within the Physical Settlement Period upon which all the Deliverable Obligations specified in the Notice of Physical Settlement are Delivered; provided that if on the last day of the Physical Settlement Period the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered due to any reason as set out in Conditions 18.8, 18.9, 18.10 and 18.12 (*Partial Cash Settlement Terms*), the Physical Settlement Date shall be the last day of the Physical Settlement Period.
- (vi) Latest Permissible Physical Settlement Date: [[specify number] days after the final day of the Physical Settlement Period].
- (vii) Unwind Amount: [Applicable/Not Applicable]

Terms relating to Cash Settlement:

- (viii) Valuation Date: [●]
- (ix) Valuation Time: [As set out in the Condition]/[(specify other)]
- (x) Quotation Method: [Bid] / [Mid] / [Ask]
- (xi) Quotation Amount: [●]
- (xii) Cash Settlement Date: [As set out in the Conditions]/[(specify other)]
- (xiii) Cash Settlement Amount: [As set out in the Conditions]/[(specify other)]
- (xiv) Valuation Method: (Exclude Accrued Interest/Include Accrued Interest)
(for determination of Final Price) (set out ISDA valuation method or other valuation method in full)
- (xv) Unwind Amount [Applicable/Not Applicable]

Terms relating to Auction Settlement

- (xvi) Fallback Settlement Method: [Cash Settlement/Physical Settlement]
- (xvii) Auction Settlement Amount: Auction Final Price
- (xviii) Business Day Convention: [Following/Modified Following/Preceding]
- (xix) Succession Event Backstop Date subject to adjustment in [Yes/No]

accordance with Business Day Convention:

- (xx) Limitation Date subject to adjustment in accordance with Business Day Convention: [Yes/No]
- (xxi) Hedging Arrangement Notifying Party: [Buyer/Seller/Buyer or Seller]
- (q) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-in Level: [*Specify*]
- (ii) Knock-in Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-in Determination Period]
- (iii) Knock-in Period Beginning Date: [Not Applicable/specify]
- (iv) Knock-in Period Ending Date: [Not Applicable/specify]
- (v) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]
- (r) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day,
- [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-out Level: [*Specify*]
- (ii) Knock-out Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [Not Applicable/specify]

- (iv) Knock-out Period Ending Date: [Not Applicable/specify]
- (v) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]

19. Equity Linked Note Provisions

[Applicable/Not Applicable]

(if not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Share(s): [●]
- (b) ISIN of Share(s): [Specify]
- (c) Screen Page/Exchange Code: [Specify]
- (d) Formula: [Autocall with [Guaranteed Coupon]/[Conditional Coupon without Memory Effect]/[Conditional Coupon with Memory Effect] *[In the case of Autocall specify: Autocall Trigger Level: [●] per cent. of the Initial Price]**[In the case of Conditional Coupon specify Coupon Trigger Level: [●] per cent. of the Initial Price]*]/

[Reverse Convertible [with European Barrier]/[with American Barrier]]/
 [Shark [with European Barrier]/[with American Barrier] *[In the case of Shark specify Rebate: [●] per cent.]*]/
 [Bonus [with European Barrier]/[with American Barrier] *[In the case of Bonus specify Bonus: [●] per cent. and Cap [●] per cent.]*]/
 [Callable Stability]/
 [Call]/
 [Himalaya]

- (e) Settlement Price: The Settlement Price will be calculated *[insert calculation method]*/[As set out in the Conditions]

[Exchange Rate:[●]]

- (f) Calculation Agent responsible for calculating any amount due under the Notes: [●] *(NB. Specify name and address)*

- (g) Averaging Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

[Modified Postponement]

(only applicable if Modified Postponement is applicable as an Averaging election).

[Specified Maximum Days of Disruption will be equal to: [●]/[eight]]

(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)

- (h) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (i) Observation Period: [Specify/Not Applicable]
- (j) Exchange Business Day: [●]
- (k) Scheduled Trading Day: [●]
- (l) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (m) Related Exchange(s): [Specify/Each exchange or quotation system on which option contracts or futures contracts relating such Share are traded]
- (n) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] *(N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).*
- (o) Additional Disruption Events: [(i)] The following Additional Disruption Events apply to the Notes:
(Specify each of the following which applies.)
[Change of Law]
[Hedging Disruption]
[Insolvency Filing]
[Failure to Deliver]
[Increased Cost of Hedging]
[Increased Cost of Stock Borrow]
[Loss of Stock Borrow]
[(ii)] [The Trade Date is [●].

(N.B. only applicable if Change of Law and/or Increased Cost of Hedging is applicable)]

- [(iii)] [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is [●].
- (N.B. only applicable if Loss of Stock Borrow is applicable)*
- [(iv)] [The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [●].
- (N.B. only applicable if Increased Cost of Stock Borrow is applicable)*
- (p) Market Disruption Specified Maximum Days of Disruption will be equal to [●]/[eight]:
- (if no Specific Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to eight)*
- (q) Delayed Redemption on Occurrence of Extraordinary Event [Applicable/Not Applicable]
- (if not applicable, delete the remaining sub-paragraph of this paragraph)*
- [Rate for accrual of interest [●]/as specified in the Terms and Conditions]
- (r) Tender Offer [Applicable/Not Applicable]
- (s) Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency (delete as appropriate) Share Substitution [is applicable/is not applicable].
- (t) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/" less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-in Level: [Specify]
- (ii) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (iii) Knock-in Period [Not Applicable/specify]

- Beginning Date:
- (iv) Knock-in Period Ending Date: [Not Applicable/*specify*]
- (v) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]
- (u) Knock-out Event: [Not Applicable/*specify*/"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day,
- [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-out Level: [*Specify*]
- (ii) Knock-out Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-out Determination Period]
- (iii) Knock-out Period Beginning Date: [Not Applicable/*specify*]
- (iv) Knock-out Period Ending Date: [Not Applicable/*specify*]
- (v) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]
- (v) Automatic Early Redemption Event: [Not Applicable/*specify*/"greater than or equal to"/"less than"/"less than or equal to"] Automatic Early Redemption Price]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Automatic Early Redemption Amount: [*Specify*/See definition in Condition 20.7]
- (ii) Automatic Early Redemption Date(s): [*Specify*]
- (iii) Automatic Early Redemption Price: [*Specify*]
- (iv) Automatic Early Redemption Rate: [*Specify*]
- (v) Automatic Early [*Specify*]

Redemption Valuation
Date(s):

- (vi) Automatic Early Redemption Number of Shares: [Not Applicable/specify]

20. Inflation Linked Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(If applicable and the Notes bear interest, please fill item 16)

- (a) Index/Indices: [●]
(b) Screen Page/Exchange Code: [●]
(c) Formula: see Technical Annex – Part 2

Cap Level: [●]

Floor Level: [●]

Leverage: [●]

- (d) Calculation Agent responsible for calculating the interest due: [●]
(e) Settlement Price: [●]
(f) Cut-Off Date: [●]/[Not Applicable]
(g) Related Bond: [●]/Fall Back Bond
(h) Issuer of Related Bond: [●]/[Not Applicable]
(i) Fall Back Bond: [Applicable/Not Applicable]
(j) Index Sponsor: [●]
(k) Related Bond Redemption Event: [Applicable/Not Applicable]
(l) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]

(If not applicable, delete the remaining subparagraphs of this paragraph)

[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (i) Knock-in Level: [Specify]
 - (ii) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
 - (iii) Knock-in Period Beginning Date: [Not Applicable/specify]
 - (iv) Knock-in Period Ending Date: [Not Applicable/specify]
 - (v) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]
- (m) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day,
- [Omission/Postponement/Modified Postponement] will apply.]
- (i) Knock-out Level: [Specify]
 - (ii) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
 - (iii) Knock-out Period Beginning Date: [Not Applicable/specify]
 - (iv) Knock-out Period Ending Date: [Not Applicable/specify]
 - (v) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]
- (n) Scheduled Trading Day: [Not Applicable/specify]

21. Business Day Convention

- (a) For Interest Payment Dates: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- [Specify applicable Business Day Convention or specify No Adjustment]
- (b) For Interest Periods: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention]

Convention/Preceding Business Day Convention]

[Specify applicable Business Day Convention or specify No Adjustment]

(c) For the Maturity Date or Redemption Date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]

[Specify applicable Business Day Convention or specify No Adjustment]

(d) Any other date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]

[Specify applicable Business Day Convention or specify No Adjustment]

22. Additional Business Centre(s) (Condition 4.2): [●]

PROVISIONS RELATING TO REDEMPTION

23. Notice periods for Condition 6.2: Minimum period: [] days
Maximum period: [] days

24. Issuer Call [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): [●]

(b) Optional Redemption Amount(s): [[●] per Calculation Amount [less Early Redemption Unwind Costs. Early Redemption Unwind Costs means [Standard Early Redemption Unwind Costs]]/Fair Market Value]

(c) If redeemable in part:

(i) Minimum Redemption Amount: [●]

(ii) Maximum Redemption Amount: [●]

(d) Notice period: Minimum period: [] days
Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised

to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Investor Put

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s): [●] per Calculation Amount [minus the Early Redemption Fees]
- (c) Early Redemption Fees: [Not Applicable/[●] per cent. of the Calculation Amount]
- (d) Notice periods: Minimum period: [] days
Maximum period: [] days

26. Final Redemption Amount

- (a) [[●] per Calculation Amount] The [Credit/Index/Equity/Inflation/] Linked Redemption Amount] / [Physical Delivery]
- (b) Settlement Method: [Cash Settled Notes]/[Physical Delivery]

(NB: In the case of any Equity Linked Notes, Credit Linked Notes, specify whether the Notes are Cash Settled Notes or Physical Delivery Notes. All other Notes are cash settled Notes)

[If the Final Redemption Amount is other than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.]

27. Early Redemption Amount

- (a) Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default: [[●] per Calculation Amount]
- (b) Early Redemption Unwind Costs [Applicable/Not Applicable]

[If Applicable:

Standard Early Redemption Unwind Costs/*insert other*]

28. Provisions applicable to Physical Delivery:

[Applicable/Not Applicable]

(if not applicable, delete the remaining subparagraphs of this paragraph)

[(a) Entitlement in relation to each Note:

Entitlement in relation to each Note is [*Specify*]

[(b) Relevant Asset(s):

[As specified above]/The relevant asset[s] to which the Notes relate [is/are] [*specify*].

[(c) Settlement Business Day(s):

[*Specify*]

29. Variation of Settlement:

(a) Issuer's option to vary settlement

The Issuer [has/does not have] the option to vary settlement in respect of the Notes.

(b) Variation of Settlement of Physical Delivery Notes:

[Notwithstanding the fact that the Notes are Physical Delivery Notes, the Issuer may make payment of the Redemption Amount on the Maturity Date and the provisions of Condition 4(b)(B)(ii) will apply to the Notes./The Issuer will procure delivery of the Entitlement in respect of the Notes and the provisions of Condition 4(b)(B)(ii) will not apply to the Notes.]

30. Form of Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event]

[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]]

[Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and

including [€99,000]." *Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.*)

- New Global Note:¹⁰ [Yes/No]
31. Additional Financial Centre(s): [Not Applicable/give details] (Note that this paragraph relates to the place of payment)
32. Talons for future Coupons or Receipts to be attached to definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made / No]
33. Provisions relating to Partly Paid Notes: [Not Applicable/Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Amount of each payment comprising the Issue Price: [●]
- (b) Date on which each payment is to be made: [●]
- (c) If different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes: [●]
- (d) Interest due on late payment: [●]
34. Provisions relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- [(a) Instalment Amount(s): [●]
- (b) Instalment Date(s): [●]]
35. **Redenomination provisions:** [Not Applicable/The provisions in Condition 3 apply]

¹⁰ You should only elect "yes" opposite "New Global Note" if you have elected "yes" to the Section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____
Duly authorised

PART B - OTHER INFORMATION

1. Listing and Admission to Trading

- (a) [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listing on the official list of the Luxembourg Stock Exchange with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Luxembourg Stock Exchange's regulated market with effect from [].]/[specify other regulated market]/[Not Applicable.]
- (b) Estimate of total expenses related to admission to trading: [●]

2. Ratings

[Not Applicable]/[The Notes to be issued [have been][are expected to be] rated [●] by [Standard & Poor's Ratings Services/Moody's Investors Service Inc./Fitch Ratings Ltd *and associated defined terms*]. Each such credit rating agency is established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**). [As such, each of [*the rating agencies*] is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/Listregistered-and-certified-CRAs>) in accordance with the CRA Regulation.]

3. Notification

[The *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg.] / [Not Applicable.]

4. Interests of Natural and Legal Persons Involved in the Issue

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[Not Applicable]/[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue or offer of the Notes has an interest material to the issue or offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

5. Reasons for the Offer[, Estimated Net Proceeds and Total Expenses]¹¹

(a) Reasons for the offer [[●]]

(b) [Estimated net proceeds: [●]]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.)

(c) Estimated total expenses: [●] [Include breakdown of expenses]¹²

(N.B.: if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of such net proceeds and total expenses at (ii) and (iii) above are also required.)

6. [Fixed Rate Notes only – Yield [Not Applicable] /

Indication of yield: [●]

[Calculated as [include specific details of method of calculation in summary form] on the Issue Date.]

7. [Floating Rate Notes only- Historic Interest Rates

[Not Applicable]/

[Details of historic [LIBOR/EURIBOR/CMS/EONIA] rates can be obtained from [Reuters].]¹³

8. [Performance of Index/ Reference Entity/ Equity, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying

[Not Applicable]/

[Need to include details of where past and future performance and volatility of the index /reference entity/equity/inflation can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Name of the Issuer of the underlying security: [●]]

ISIN Code: [●]

¹¹ If the Notes are derivatives securities to which Annex XII of the Prospectus Regulation applies, disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

¹² Not compulsory for debt securities with a denomination per unit of at least EUR 100,000.

¹³ Not compulsory for debt securities with a denomination per unit of at least EUR 100,000.

Index Name:	[●]
Underlying Interest Rate:	[●]
Exercise price or final reference price of the underlying:	[●]
Relevant weightings of each underlying on the basket:	[●]
Description of any market disruption or settlement disruption events concerning the underlying:	[●]
Adjustment rules with relation to events concerning the underlying:	[●]
Source of information relating to the [index/indices]:	[●]
Place where information to the [index/indices] can be obtained:	[●]
Expiration/Maturity date of derivative securities	[●]
Exercise date or final reference date	[●]]

(Where the underlying is not an index need to include equivalent information. Where the underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the underlying is a basket of underlying, need to include the relevant weightings of each underlying in the basket.)

Need to include a description of any market disruption or settlement disruption events that affect the underlying and any adjustment rules in relation to events concerning the underlying (if applicable.)

9. Underlying Disclaimer¹⁴

[For use in connection with Indices (including Inflation Indices)]

[Not Applicable]

[The issue of this series of Notes (in this paragraph, the **Transaction**) is not sponsored, endorsed, sold, or promoted by [NAME OF INDEX] (the **Index**) or [NAME OF INDEX SPONSOR] (the **Index Sponsor**) and the Index Sponsor [makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its affiliates has any affiliation with or control over the Index or Index Sponsor

¹⁴ Include for Index Notes (including Inflation Linked Notes).

or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

10. Operational Information

- (a) ISIN Code: []
- (b) Common Code: []
- (c) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (d) Delivery: Delivery [against/free of] payment
- (e) Names and addresses of additional Paying Agent(s) (if any): []
- (f) Deemed delivery of clearing system notices for the purposes of Condition 13: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
- (g) Intended to be held in a manner which would allow Euro system eligibility¹⁵: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the

¹⁵ See Part A - "Form of Notes - New Global Note".

ICSDs acting as common safekeeper,][include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at anytime during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

11. Distribution

(a) Method of distribution: [Syndicated/Non-syndicated]

(b) If syndicated, names of Managers: [Not Applicable/give names]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

(c) Date of [Subscription] Agreement: []

(d) Stabilising Manager(s) (if any): [Not Applicable/give name]

(e) If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]

(f) Total commission and concession: [] per cent. of the Aggregate Nominal Amount

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes

This Note is one of a Series (as defined below) of Notes issued by Crédit Industriel et Commercial (the **Issuer**) subject to, and with the benefit of, the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 18 January 2013 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 18 January 2013 and made by the Issuer. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme, Luxembourg (**Clearstream, Luxembourg**).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms and definitive Notes will be serially numbered. This Note is, to the extent specified in the applicable Final Terms, a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a Note linked to the underlying reference asset(s) (an **Underlying Reference(s)**) specified in the applicable Final Terms such as a Credit Linked Note, an Index Linked Note, an Equity Linked Note, an Inflation Linked Note or any appropriate combination thereof.

Definitive Notes are issued with Coupons attached and, if applicable, Talons attached unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

In the case of any Equity Linked Notes or Credit Linked Notes the applicable Final Terms will specify whether the Notes are Cash Settled Notes or Physical Delivery Notes. Save as otherwise specified in the applicable Final Terms, **Cash Settled Notes** will be redeemed by the payment to the Noteholders of such amount as is specified in the applicable Final Terms and **Physical Delivery Notes** will be redeemed by the delivery of the Relevant Asset(s) specified in the applicable Final Terms.

Subject as set out below, title to the Notes, Coupons and Receipts will pass by delivery. The Issuer and the Paying Agents, to the extent permitted by applicable law, may deem and treat the bearer of any Note, Coupon or Receipt as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft

thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms (including Euroclear France and the *Intermédiaires financiers habilités* authorised to maintain accounts therein (together, **Euroclear France**)) approved by the Issuer and the Agent.

2. STATUS OF THE NOTES AND NEGATIVE PLEDGE

2.1 Status

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 2.2) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

2.2 Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that the Issuer's obligations under the Notes and the Coupons either:

- (a) are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) have the benefit of such other Security Interest, guarantee, indemnity or other arrangement (whether or not it includes the giving of a Security Interest) as shall be approved by an Extraordinary Resolution of the Noteholders.

For the purposes of this Condition 2.2, **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which (with the consent of

the issuer of the indebtedness) are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

3. REDENOMINATION

3.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 13, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes held (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the

Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee;

- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on a Fixed Interest Date, it will be calculated:
 - (i) in the case of the Notes represented by a global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such global Note; and
 - (ii) in the case of Definitive Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding,

- (g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (h) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

3.2 Definitions

In these Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

Euro or **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

Treaty means the Treaty on the Functioning of the European Union, as amended.

4. INTEREST

The applicable Final Terms will indicate whether the Notes are (i) Fixed Rate Notes, (ii) Floating Rate Notes, (iii) Zero Coupon Notes or (iv) Notes linked to an underlying reference asset(s) such as

Credit Linked Notes, Index Linked Notes, Equity Linked Notes, Inflation Linked Notes or any combination thereof.

4.1 Interest on Fixed Rate Notes

This Condition 4.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes (or, if they are Partly Paid Notes, the full amount paid up) and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if, in the case of Notes in definitive form, no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the Fixed Rate Notes (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if **30/360** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on variable interest Notes

This Condition 4.2 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also

specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

(a) Interest Payment Dates

Unless otherwise specified in the applicable Final Terms, each Floating Rate Note or other Note which is subject to a variable rate of interest (any such Note or Floating Rate Note, a **Variable Interest Note**), bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls on the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Variable Interest Notes is represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes (or, if they are Partly Paid Notes, the full amount paid up) and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Variable Interest Note, interest will be calculated on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall

into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions and unless otherwise specified, **Business Day** means a day which is both:

- I. a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System (the **TARGET2 System**) is open (a **TARGET2 Business Day**) and a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- II. either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, TARGET2 Business Day.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Variable Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions. A copy of the ISDA Definitions may be obtained from the ISDA website at <http://www.isda.org/>.

(ii) FBF Determination

(A) Where FBF Determination is specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the **FBF Rate**) and in such amounts, plus or minus the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to transactions on forward financial instruments incorporating the FBF Definitions (a **FBF Agreement**), as in effect on the date of issue of the Notes, published by the *Fédération Bancaire Française* (the **FBF**) and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Note under which:

- I. the Issuer was the Floating Amount Payer;
- II. the Agent (as defined herein) was the Agent (as defined in the FBF Agreement) or as otherwise specified in the applicable Final Terms;
- III. the Interest Commencement Date was the Transaction Date;
- IV. the lowest Specified Denomination was the Notional Amount;
- V. the Interest Payment Dates were the Floating Amount Payment Dates; and
- VI. all other terms were as specified in the applicable Final Terms.

FBF Definitions means the definitions set out in the FBF Master Agreement (a copy of which may be obtained free of charge on the FBF website at [http://www.fbf.fr/Web/internet/content_investissement.nsf/\(WebPageList\)/codes+et+conventions?Open](http://www.fbf.fr/Web/internet/content_investissement.nsf/(WebPageList)/codes+et+conventions?Open)), unless otherwise specified in the relevant Final Terms.

(B) When paragraph (A) above applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Conditions as though determined under paragraph (d) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Agent in accordance with paragraph (A) above; and
- III. the Agent will be deemed to have discharged its obligations under paragraph (d) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(iii) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or

- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Screen Page as at 11.00 a.m., (Relevant Financial Centre time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amount**

The Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined (the **Interest Determination Date**), determine the Rate of Interest for the relevant Interest Period.

Save as otherwise specified in the applicable Final Terms, or in circumstances where FBF Determination is applicable, the Agent will calculate the amount of interest (the **Interest Amount**) payable in respect of Variable Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Variable Interest Notes which are represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the relevant Notes (or, if they are Partly Paid Notes, the full amount paid up); or
- (ii) in the case of Variable Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Variable Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by

which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if "Actual/365" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 – FBF" is specified in the applicable Final Terms, the fraction whose numerator is the actual number of days elapsed during the Interest Period and whose denominator is 365. If part of the Interest period falls in a leap year, Actual/365 – FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366;
- (iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vii) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(e) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Variable Interest Notes are for the time being listed (by no later than the first day of each Interest Period or if that is impracticable, as soon as reasonably practicable upon the determination of such Rate of Interest and Interest Amount). Each Interest Amount and Interest Payment Date may

subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period.

(f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents, and all Noteholders, Receiptholders and Couponholders, and (in the absence of wilful default, fraud or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

4.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal (and/or delivery of the Physical Delivery Amount (if applicable)) is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 or (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

5.2 Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, 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 such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

Any reference in this Condition 5 to payment or repayment (as the case may be) of principal and/or interest and other similar expressions shall, where the context so admits, be deemed to refer also to delivery of any Asset Amount relating to Physical Delivery Notes.

5.7 Physical Delivery Notes

(a) Physical Delivery

(i) Asset Transfer Notices

In relation to Physical Delivery Notes, in order to obtain delivery of the Asset Amount(s) in respect of any Note:

- (A) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable) (each a relevant **Clearing System**), with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; and
- (B) if such Note is in definitive form, the relevant Noteholder must deliver to any Paying Agent with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

For the purposes of this Condition:

Asset Amount means the amount of Relevant Asset relating to each Note as set out in the Final Terms;

Asset Transfer Notice means asset transfer notice in the form set out in the Agency Agreement duly completed in accordance with the provisions of this Condition;

Cut-off Date means the date falling three Business Days prior to the Delivery Date; and

Relevant Asset means the Reference Underlying defined as such in the applicable Final Terms.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note in such manner as is acceptable to the relevant Clearing System, or (ii) if such Note is in definitive form, in writing together with the Note.

The Asset Transfer Notice shall:

- (A) specify the name and address of the relevant Noteholder and the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Final Terms;
- (B) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject to such notice and the number of the Noteholder's account at the relevant Clearing System to be debited with such Notes and irrevocably instruct and authorise the relevant Clearing System, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Delivery Date;
- (C) include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Noteholder at the relevant Clearing System, as the case may be, in respect thereof and to pay such Delivery Expenses;
- (D) specify an account to which dividends (if any) payable pursuant to this Condition 5.7 or any other cash amounts specified in the applicable Final Terms are being payable are to be paid;
- (E) certify that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;
- (F) authorise the production of such notice in any applicable administrative or legal proceedings,

For the purposes of this Condition, **Delivery Expenses** means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Asset Amount.

(ii) Verification of the Holder

Upon receipt of an Asset Transfer Notice the relevant Clearing System shall verify that the person delivering the Asset Transfer Notice is the holder of the Notes described therein according to its records. Subject thereto, the relevant Clearing System will confirm to the Agent the series number and number of Notes the subject of such notice, the relevant account details and the details for the delivery of the Asset Amount relating to each Note. Upon receipt of such confirmation, the Agent will inform the Issuer thereof.

(iii) Determinations and Delivery

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made, in the case of Notes represented by a Global Note, by the relevant Clearing System, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Notes in definitive form, by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

If any Asset Transfer Notice deemed null and void in accordance with the foregoing paragraph is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such corrected Asset Transfer Notice was delivered to the relevant Clearing System (with a copy to the Agent).

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or the Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

The Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided below on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the **Delivery Date**), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System (with a copy to the Agent), as provided above on or prior to the Cut-Off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Agent, on or prior to the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date, as defined in the Final Terms (in which case, such date of delivery shall be deemed the Delivery Date) at the risk of such Noteholder in the manner provided below. In such circumstances the relevant Noteholder shall not be entitled to any payment, whether of interest or otherwise, and the Issuer shall have no liability whatsoever, as a result of the Delivery Date falling after the Maturity Date.

The Issuer shall, at the relevant Noteholder's risk, deliver or procure the delivery of the Asset Amount relating to each Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole and absolute discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice. No delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

(iv) General

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

Following the Delivery Date of a share certificate all dividends on the relevant shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Noteholder will be paid to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Condition 5.7(a)(i).

For such period of time after delivery of the Asset Amount as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Asset Amount (the **Intervening Period**), none of the Issuer, the Calculation Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure the exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner during such Intervening Period of such securities or obligations.

(v) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable Final Terms, or such other commercially reasonable manner as the Calculation Agent has determined, is impracticable because a Settlement Disruption Event (as defined below) has occurred and is continuing on the Delivery Date, then it shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 and the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Note by delivering the Asset Amount using such other commercially reasonable manner as it may select and, in such event, the Delivery Date shall be such day as the Issuer deems appropriate (acting in a commercially reasonable manner). Noteholders shall not be entitled to any payment, whether on account of interest or otherwise, and the Issuer shall have no liability whatsoever, as a result of the Delivery Date being postponed due to the occurrence of a Settlement Disruption Event.

Where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets unaffected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of part of the Asset Amount is impracticable by reason of a Settlement Disruption Event, then in lieu of physical delivery of the affected Relevant Asset(s), and notwithstanding any other provision hereof, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the affected portion of the relevant Note(s) by paying the relevant Noteholder(s), the Disruption Cash Redemption Amount (as defined below) on the fifth Business Day following the date on which Noteholders are notified in accordance with Condition 13 of (i) such election having been made and (ii) the manner in which the Issuer intends to pay the Disruption Cash Redemption Amount.

For the purposes of this Condition:

Disruption Cash Redemption Amount shall be, in respect of any Note, the fair market value of such Note (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets included in the Asset Amount and such unaffected Relevant Assets have been duly delivered as provided above, the value of such unaffected

and delivered Relevant Assets), less the cost to the Issuer of unwinding any related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion;

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

Settlement Disruption Event means an event that is beyond the control of the Issuer, including illiquidity in the market for the Relevant Assets as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms, all as determined by the Calculation Agent.

(b) Variation of Settlement

If so specified in the applicable Final Terms, the Issuer may, in its sole and absolute discretion, elect (i) to deliver or procure delivery on the Maturity Date of the Asset Amount relating to each Note in lieu of its obligation to pay Noteholders the Redemption Amount or (ii) to pay Noteholders the Redemption Amount on the Maturity Date in lieu of its obligation to deliver or procure delivery of the Asset Amount. Notification of any such election will be given to Noteholders in accordance with Condition 13.

(c) Rights of Noteholders and Calculations

None of the Issuer, the Calculation Agent or any of the Paying Agents shall have any responsibility for any errors or omissions in committed in connection with any of the calculations or determinations contemplated in this Condition 5.

The purchase of Notes linked to one or more Relevant Assets does not confer on holders of such Notes any rights (whether in respect of voting, distributions or otherwise) in connection with the applicable Relevant Asset(s).

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount (or, in the case of Physical Delivery Notes, by delivery of the Asset Amount) as specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject to Condition 6.6, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Variable Interest Note) or on any Interest Payment Date (if this Note is a Variable Interest Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of France or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of this Base Prospectus; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified offices to the Noteholder (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Special Tax Redemption

If the Issuer would, on the occasion of the next payment of principal or interest in respect of the Notes, be prevented by the laws of France from causing payment to be made to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, then the Issuer shall forthwith give notice of such fact to the Agent and the Issuer shall, upon giving not less than seven nor more than 45 days' prior notice to the Noteholders in accordance with Condition 13, forthwith redeem all, but not some only, of the Notes at their Early Redemption Amount, together, if appropriate, with accrued interest, on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice to Noteholders shall be the later of:

- (a) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes; and
- (b) 14 days after giving notice to the Agent as aforesaid.

6.4 Redemption at the option of the Issuer (Issuer Call)

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.4 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period and not more than the maximum period specified in the applicable Final Terms to the Agent and the Noteholders in accordance with Condition 13 (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Early Redemption Date and at the Early Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Early Redemption Date. Unless otherwise specified in the applicable Final Terms, the **Early Redemption Date** (being the date on which the Noteholders will receive the

Early Redemption Amount) will be seven (7) Business Days in Luxembourg following the date on which notice is deemed to have been given to the Noteholders in accordance with this paragraph and Condition 13.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a redemption of some only of the Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. In the case of Redeemed Notes represented by a Global Note, the selection will be reflected (at the discretion of Euroclear and/or Clearstream, Luxembourg) either as a pool factor or a reduction in aggregate principal amount. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five (5) days prior to the Selection Date.

6.5 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than fifteen (15) nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. In addition, an amount equal to the Early Reduction Fees may be deducted from the Optional redemption Amount if so specified in the applicable Final Terms. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying 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 Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw

the notice given pursuant to this Condition 6.5 and instead to declare such Note forthwith due and payable pursuant to Condition 9.

6.6 Early Redemption Amounts

For the purpose of Conditions 6.2, 6.3, 6.4 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is 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 nominal amount less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

- (d) if **Fair Market Value** is specified in the applicable Final Terms as the Early Redemption Amount, at an amount determined by the Calculation Agent, acting in its sole and absolute discretion, which, shall represent the fair market value of the Notes on, or at a time determined by the Calculation Agent during a period not exceeding five (5) Business Days immediately prior to, the date on which a notice of early redemption is deemed to have been given to the Noteholders pursuant to Condition 6.4 and Condition 13 and shall have the effect (after taking into account the costs of unwinding any hedging arrangements, as

determined by the Issuer in its sole and absolute discretion, entered into in respect of the Notes) of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date. In respect of Notes bearing interest, notwithstanding any other provision of these Conditions, the Early Redemption Amount, as determined by the Calculation Agent in accordance with this paragraph shall include any accrued interest to (but excluding) the relevant early redemption date and apart from any such interest included in the Early Redemption amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer in respect of such redemption.

Early Redemption Unwind Costs means the amount specified in the applicable Final Terms or if **Standard Early Redemption Unwind Costs** are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of Notes in the Specified Denomination.

6.7 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6.6.

6.8 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

6.9 Purchases

The Issuer or any subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmaturing Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Notes purchased by or on behalf of the Issuer may be, at the option of the Issuer, either surrendered and cancelled or held or resold, in accordance with applicable law.

All Notes purchased by the Issuer may be purchased and held in accordance with Article L. 213-1-A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes. The Issuer may not hold Notes for a period of more than one year from the date of purchase in accordance with Article D. 213-1-A of the French *Code monétaire et financier*.

6.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmaturing Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes cancelled (together with all unmaturing Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3, 6.4 or 6.5 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.6(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. TAXATION

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed (a) by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law or (b) unless withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**).

If (a) French law should require that any payments in respect of the Notes, Receipts or Coupons be subject to deduction or withholding with respect to any present or future taxes, duties, assessments or other governmental charges whatsoever imposed or levied by or on behalf of France or any political subdivision of, or any authority therein or thereof having power to tax or (b) withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such deduction or withholding shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder (including a beneficial owner (*ayant droit*)) who is liable for such taxes, duties, assessments or other governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with France other than the mere holding of (or beneficial ownership with respect to) such Note, Receipt or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder, as the case may be, who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or

- (d) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6); or
- (e) where such withholding or deduction is required by reason of the failure by any person other than the Issuer or an Agent to claim or perfect an exemption from any withholding or deduction (including, for the avoidance of doubt, as a result of any payment being made through an intermediary other than an Agent that is subject to withholding or deductions pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof).

As used herein, the **Relevant Date** in relation to any Note means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) thereof.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

9. EVENTS OF DEFAULT

The holder of any Note may give written notice to the Issuer and the Agent that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, together, if appropriate, with accrued interest, if any of the following events (each an **Event of Default**) shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 30 days after the relevant due date; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and such default is not remedied within 45 days after notice of such default has been given to the Issuer by any Noteholder; or
- (c) the Issuer 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 the Issuer or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer 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 for its winding-up or dissolution, except in connection with a merger or other reorganisation in which all of the Issuer's assets are transferred to, and all of the Issuer's debts and liabilities (including the Notes) are assumed by, another entity which continues the Issuer's activities.

10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced, or destroyed it may be replaced at the specified office of the Agent, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

12. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

13. NOTICES

- (a) All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in Europe and (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London, the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.
- (b) Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or on the Luxembourg Stock Exchange's website at www.bourse.lu the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Unless otherwise specified in the applicable Final Terms, any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the said notice was given to Euroclear and/or Clearstream, Luxembourg.

- (c) Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. AGENTS

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such

place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a paying agent having a specified office in New York City in the circumstances described in Condition 5.4. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement, the Agents will act solely as agents of the Issuer and do not assume any obligations or relationship of agency or trust to or with the Noteholders, Receiptholders or Couponholders, except that (without affecting the obligations of the Issuer to the Noteholders, Receiptholders and Couponholders, to repay Notes and pay interest thereon) funds received by the Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the Noteholders and/or Receiptholders or Couponholders until the expiration of the relevant period of prescription under Condition 8. The Issuer will agree to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and any of its subsidiaries without being liable to account to the Noteholders, Receiptholders or the Couponholders for any resulting profit.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with any of the aforementioned agreements, deeds and documents are governed by, and shall be construed in accordance with, English law.

17.2 Submission to jurisdiction

The Issuer irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and accordingly submit to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders, may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the

Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

17.3 Appointment of Process Agent

The Issuer appoints Crédit Industriel et Commercial, London Branch at its registered office at Veritas House, 125 Finsbury Pavement, London EC2A 1NQ as its agent for service of process, and undertakes that, in the event of Crédit Industriel et Commercial, London Branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

17.4 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

18. ADDITIONAL PROVISIONS APPLICABLE TO CREDIT LINKED NOTES

This Condition 18 applies to Credit Linked Notes only. The applicable Final Terms contains provisions applicable to the determination of the occurrence of a Credit Event as well as other relevant provisions and must be read in conjunction with this Condition 18 for full information on any Credit Linked Notes. In particular, the applicable Final Terms will specify whether the principal is guaranteed at maturity or not and identify the relevant Reference Entity(ies), the relevant Credit Event(s), the applicable Settlement Method (Auction Settlement, Cash Settlement or Physical Settlement) and Fallback Settlement Method, the Scheduled Maturity Date, the Scheduled Termination Date, the Valuation Date and the Valuation Time, the Valuation Method.

18.1 Payment of Credit Linked Interest upon occurrence of a Credit Event

(a) Payment of Interest depending on Credit Event

If payment of Interest under the Notes is conditional upon the occurrence or the non-occurrence of a Credit Event on a Reference Obligation or Reference Entity during the Reference Period, the applicable Final Terms will provide for the formula and/or conditions of such payment.

(b) Credit Event Notice

If at any time the Calculation Agent determines that a Credit Event has occurred during the Reference Period, whether or not such event is continuing, the Issuer may give a Credit Event Notice during the Notice Delivery Period to the Noteholders in accordance with Condition 13 of the occurrence of its event and any consequence attached thereto.

The Credit Event Notice shall be notified to the Noteholders in accordance with Condition 13 and shall:

- (i) describe the grounds on which the Calculation Agent has determined that there has been a Credit Event (but need not assert that a Credit Event is continuing);
- (ii) specify the Credit Event Determination Date; and
- (iii) specify, by reference to the applicable Final Terms, the consequence of the occurrence of such Credit Event.

(c) Determination of the occurrence of a Credit Event

The Calculation Agent shall determine whether or not a Credit Event has occurred during the Reference Period. The Calculation Agent shall, however, have no duty or responsibility to investigate or check whether such Credit Event has or may have occurred or is continuing on any date and shall be entitled to assume, in the absence of actual knowledge to the contrary of the employees or officers of the Calculation Agent directly responsible for the time being for making determinations hereunder, that no Credit Event has occurred or is continuing.

When determining the existence or occurrence of any Credit Event, the determination shall be made without regard to:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) 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
- (iv) 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.

If the Calculation Agent determines in its sole and absolute discretion that a Credit Event has occurred during the Reference Period it shall promptly notify the Issuer and the Agent. The determination by the Calculation Agent of the occurrence of a Credit Event shall (in the absence of wilful default, bad faith or manifest error) be conclusive and binding on all persons (including, without limitation, the Noteholders).

(d) Calculation Agent and notices

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 under or pursuant to this Condition shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under or pursuant to the Notes including, without limitation, the giving of any notice to any party, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

A notice delivered by the Calculation Agent to the Issuer and/or the Agent on or prior to 5.00 p.m., Luxembourg time on a TARGET2 Business Day will be effective on such TARGET2 Business Day. A notice delivered after 5:00 p.m., Luxembourg time will be deemed effective on the next following Business Day regardless of the form in which it is delivered. For the purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of such notice within one TARGET2 Business Day of such notice.

18.2 Redemption of Credit Linked Notes upon occurrence of a Credit Event

(a) Credit Event Notice

If at any time the Calculation Agent determines that a Credit Event has occurred during the Reference Period, whether or not such event is continuing, the Issuer may give a Credit Event Notice during the Notice Delivery Period to the Noteholders in accordance with Condition 13 of its intention to redeem the Credit Linked Notes (other than principal protected Credit Linked Notes), and if such notice is so given and the other Conditions to Settlement (as specified in the applicable Final Terms) are satisfied, the Issuer shall, unless otherwise specified in the applicable Final Terms, redeem all but not some only of the Credit Linked Notes then outstanding on the Credit Event Redemption Date, subject to the provisions of Condition 18.15, as determined by the Calculation Agent in its sole discretion. Such redemption shall occur by Physical Settlement and/or, if so specified in the applicable Final Terms, Cash Settlement or Auction Settlement.

The Credit Event Redemption Date may be a date falling after the originally scheduled Date in which case the originally scheduled Maturity Date shall be deemed to be replaced by the relevant date specified in the Credit Event Notice or otherwise notified to the Noteholders.

For the avoidance of doubt and notwithstanding any other provision of these Conditions, no amount of interest shall be payable on the Notes from (and including) the Interest Payment Date (or, the Interest Commencement Date) immediately preceding the date on which the Credit Event occurred, unless otherwise specified in the applicable Final Terms.

The Credit Event Notice shall be notified to the Noteholders in accordance with Condition 13 and shall:

- (i) describe the grounds on which the Calculation Agent has determined that a Credit Event has occurred (but need not assert that a Credit Event is continuing);
- (ii) specify the Credit Event Determination Date; and
- (iii) confirm that either (A) the Notes will be redeemed by Delivery of the Deliverable Obligations as specified in the Notice of Physical Settlement (in the case of Physical Settlement and subject to the provisions of Condition 18.14) or (B) the Notes will be redeemed at their Cash Settlement Amount (in the case of Cash Settlement) or (C) the Notes will be redeemed at their Auction Settlement Amount (in the case of Auction Settlement), in each case on the Credit Event Redemption Date.

Unless otherwise stated in the applicable Final Terms in respect of principal protected Credit Linked Notes, once a Credit Event has occurred during the Reference Period and a Credit Event Notice has been issued, the Issuer's only obligation, other than to deliver a Notice of Publicly Available Information (if specified in the applicable Final Terms) and, in the case of Physical Settlement, a Notice of Physical Settlement, shall be to deliver (subject to the provisions of Conditions 18.8, 18.9, 18.10 and 18.11 below) the Deliverable Obligations (in the case of Physical Settlement) and/or pay the Cash Settlement Amount (in the case of Cash Settlement) or, as the case may be, pay a *pro rata* amount in respect of each Note of the Auction Settlement Amount (in the case of Auction Settlement), on the Credit Event Redemption Date. Upon Delivery of the Deliverable Obligations and/or, as the case may be, payment of the Cash Settlement Amount or Auction Settlement Amount in respect of each Note, the Issuer shall have discharged all of its obligations in respect of such Note and shall have no other liability or obligation whatsoever in respect thereof.

Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event, there may be more than one Credit Event Notice delivered in respect of the same Reference Entity, as further described in Condition 18.15 below.

If "First to Default Credit Linked Note" is specified as "Applicable" in the Final Terms, then this paragraph (a) shall apply only to the Reference Entity in respect of which a Credit Event has occurred first in time with respect to the other Reference Entities specified in the Final Terms.

(b) Determination of the occurrence of a Credit Event

The Calculation Agent shall determine whether or not a Credit Event has occurred during the Reference Period. The Calculation Agent shall, however, have no duty or responsibility to investigate or check whether such Credit Event has or may have occurred or is continuing on any date and shall be entitled to assume, in the absence of actual knowledge to the contrary of the employees or officers of the Calculation Agent directly responsible for the time being for making determinations hereunder, that no Credit Event has occurred or is continuing.

When determining the existence or occurrence of any Credit Event, the determination shall be made without regard to:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) 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
- (iv) 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.

If the Calculation Agent determines in its sole and absolute discretion that a Credit Event has occurred during the Reference Period it shall promptly notify the Issuer and the Agent. The determination by the Calculation Agent of the occurrence of a Credit Event shall (in the absence of wilful default, bad faith or manifest error) be conclusive and binding on all persons (including, without limitation, the Noteholders).

(c) Calculation Agent and notices

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 under or pursuant to this Condition shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under or pursuant to the Notes including, without limitation, the giving of any notice to any party, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

A notice delivered by the Calculation Agent to the Issuer and/or the Agent on or prior to 5.00 p.m., Luxembourg time on a TARGET2 Business Day will be effective on such TARGET2 Business Day. A notice delivered after 5:00 p.m., Luxembourg time will be deemed effective on the next following Business Day regardless of the form in which it is delivered. For the purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of such notice within one TARGET2 Business Day of such notice.

18.3 Auction Settlement

Where the Issuer is to redeem Notes by means of Auction Settlement, the redemption of each Note shall be effected by the payment of the Auction Settlement Amount on the Credit Event Redemption Date, such amount to be apportioned pro rata among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency.

Unless settlement has occurred in accordance with the above paragraph, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option), (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date, (d) a Credit Event Determination Date was determined pursuant to paragraph (a) of the definition of Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date or (e) a Credit Event Determination Date was determined pursuant to paragraph (b)(ii) of the definition of Credit Event Determination Date, then:

- (a) if "Fallback Settlement Method – Physical Settlement" is specified as applicable in the applicable Final Terms, the Issuer shall redeem the Notes in accordance with Condition 18.6; or
- (b) if "Fallback Settlement Method – Cash Settlement" is specified as applicable in the applicable Final Terms, the Issuer shall redeem the Notes in accordance with Condition 18.7.

18.4 Market Disruption

Market Disruption Event means the occurrence or existence of a specific circumstance or a combination of circumstances, which in either case the Calculation Agent determines is material and which objectively prevents it from determining whether a Knock-in or Knock-out Event has occurred, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the event triggers respectively the Knock-in Level or the Knock-out Level or (b) in all other circumstances ends at the relevant Valuation Time.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Knock-in Determination Day, a Knock-out Determination Day or a Valuation Date.

18.5 Knock-in Event and Knock-out Event

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms)

and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

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

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the Knock-in Level or the Knock-out Level has been triggered, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of this Condition 18:

Knock-in Event means an event specified as such in the applicable Final Terms as of the Knock-in Valuation Time on any Knock-in Determination Day and which may be an event *per se*, specified in the applicable Final Terms or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

Knock-in Level means a level specified as such in the applicable Final terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 18.4 above.

Knock-in Determination Day means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 18.4 above. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

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

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

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

Knock-out Event means an event specified as such in the applicable Final Terms as of the Knock-out Valuation Time on any Knock-out Determination Day and which may be an event *per se* or

depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

Knock-out Level means a level determined as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 18.4 above.

Knock-out Determination Day means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 18.4 above. For the purposes of a Market Disruption, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

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

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

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

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

18.6 Physical Settlement

Where the Issuer is to redeem the Notes by means of Physical Settlement, the redemption of each Note shall, subject as provided in Condition 5.7, be effected by the Delivery Agent on behalf of the Issuer to the Noteholders of the Deliverable Obligations on the Credit Event Redemption Date.

If Unwind Amount is specified as "Applicable" in the Final Terms, then the Delivery Agent on behalf of the Issuer shall deliver the Deliverable Obligations subject to adjustment after taking into consideration the Unwind Amount pursuant to the following:

- (a) if the Unwind Amount results in a net loss to the Issuer, then an amount of the Deliverable Obligations equivalent in value to such net loss shall be sold by the Issuer to compensate it therefor, and the remaining portion of the Deliverable Obligations, if any, shall be delivered; or
- (b) if the Unwind Amount results in a net gain to the Issuer, such net gain shall be paid in cash to the Noteholders in addition to the Deliverable Obligations.

In the case of Deliverable Obligations that are Borrowed Money obligations, (i) the Issuer will Deliver Deliverable Obligations with an outstanding principal balance (including accrued but unpaid interest (as determined by Calculation Agent) if "Include Accrued Interest" is specified in the Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified in the Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the Final Terms, excluding accrued but unpaid interest) and (ii) in the case of Deliverable

Obligations that are not Borrowed Money obligations, the Issuer will Deliver Deliverable Obligations with a Due and Payable Amount (or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount), in an aggregate amount as close as possible to the outstanding Aggregate Nominal Amount of the Notes.

The portion of Deliverable Obligations deliverable in respect of each Note shall be determined by reference to the proportion that the Specified Denomination of such Note bears to the outstanding Aggregate Nominal Amount of the Notes. If a Deliverable Obligation by its terms represents or contemplates an obligation to pay an amount greater than the outstanding principal balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the outstanding principal balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

Unless otherwise specified in the applicable Final Terms, a Notice of Physical Settlement must be delivered by the Issuer to the Noteholders in accordance with Condition 13 on or before the 30th calendar day after the relevant Event Determination Date (such 30th calendar day being the **Physical Determination Date**). For purposes of determining whether such Notice of Physical Settlement has been so delivered by the Physical Determination Date, the date on which the Notice of Physical Settlement is given (whether or not subsequently changed) shall be used.

For the avoidance of doubt, failure to deliver a Notice of Physical Settlement to the Noteholders shall not relieve the Issuer from its obligation to redeem the Notes. If on the Physical Determination Date no Notice of Physical Settlement has been delivered to the Noteholders in accordance with Condition 13, the Issuer shall be obliged to redeem the Notes in cash at their outstanding Aggregate Nominal Amount as soon as reasonably practicable and the date on which the Notes are redeemed shall be deemed to be the Credit Event Redemption Date.

18.7 Cash Settlement

Where the Issuer is to redeem the Notes by means of Cash Settlement, the redemption of each Note shall be effected by the payment by the Issuer to the Noteholders of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned pro rata among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency.

If Unwind Amount is specified as "Applicable" in the Final Terms, then the Issuer shall pay the Cash Settlement Amount, subject to adjustment after taking into consideration the Unwind Amount pursuant to the following:

- (a) if the Unwind Amount results in a net loss to the Issuer, then the net loss shall be deducted from the Cash Settlement Amount; or
- (b) if the Unwind Amount results in a net gain to the Issuer, such net gain shall be paid to the Noteholders in addition to the Cash Settlement Amount.

18.8 Partial Cash Settlement due to illegality or impossibility

If, due to an event beyond the control of the Issuer or a Noteholder (including, without limitation, failure of the relevant clearing system or due to any law, regulation or court order but excluding market conditions or the failure to obtain any requisite consent with respect to the Delivery of Loans), the Calculation Agent determines in its sole discretion that it is impossible or illegal for the Delivery Agent or the Issuer to Deliver, or (as the case may be) for such Noteholder to accept Delivery of, any portion of the Deliverable Obligations on the Physical Settlement Date, then on such date:

- (a) the Issuer shall Deliver, or cause the Delivery Agent to Deliver, and the Noteholder shall take Delivery of, that portion of the Deliverable Obligations which it is possible and legal to Deliver; and
- (b) the Calculation Agent shall provide a description to the Issuer and the relevant Noteholder(s) in reasonable detail of the facts giving rise to such impossibility or illegality and as soon as practicable thereafter the Delivery Agent or, as the case may be, the Issuer shall Deliver and the Noteholder shall take Delivery of the portion of the Deliverable Obligations which has not been Delivered and such date will be deemed to be the Credit Event Redemption Date.

If, upon the determination by the Calculation Agent as aforesaid of the occurrence of any such impossibility or illegality, the Deliverable Obligations is not Delivered to the Noteholder(s) (or any of their designees) on or before the Latest Permissible Physical Settlement Date, Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to such portion of the Deliverable Obligations that cannot be Delivered (the **Undeliverable Obligations**).

18.9 Partial Cash Settlement of Loans

Where the applicable Final Terms provides that "Assignable Loan" and/or "Consent Required Loan" is/are included in the "Deliverable Obligation Characteristics", if any Assignable Loans or Consent Required Loans are not, on the Physical Settlement Date, capable of being assigned or novated to any particular Noteholder or such Noteholder's designee due to non-receipt of any requisite consents and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date (together the **Undeliverable Loan Obligations**), Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to that portion of the Deliverable Obligations that consists of Undeliverable Loan Obligations. In such circumstances, the Issuer may satisfy its obligations in respect of such portion of the Deliverable Obligations by payment of the Cash Settlement Amount on the Cash Settlement Date.

18.10 Alternative Cash Settlement

If with respect to physically settled Notes, (i) the Deliverable Obligations comprise Bonds, Assignable Loans or Consent Required Loans (the **Deliverable Assets**) and if (ii), in the opinion of the Calculation Agent, any particular Noteholder is not eligible for Physical Settlement for any part of such Deliverable Assets (the **Non-Eligible Deliverable Assets**) then such Non-Eligible Deliverable Assets will be subject to Cash Settlement pursuant to the Partial Cash Settlement Terms. In such circumstances, the Issuer may satisfy its obligations in respect of such Non-Eligible Deliverable Assets by payment to such Noteholder of the Cash Settlement Amount on the Cash Settlement Date.

18.11 No Deliverable Obligations

Where the Issuer is to redeem the Notes by means of Physical Settlement (or by Cash Settlement or in connection with principal protected Credit Linked Notes, in either case when necessary calculations relate to Deliverable Obligations or Deliverable Obligation Characteristics), if a Credit Event occurs with respect to any particular Reference Entity and the Calculation Agent determines in its sole discretion that (a) no Deliverable Obligation exists on the Physical Settlement Date (or the Valuation Date, as the case may be), or (b) the Issuer, or the Delivery Agent on the Issuer's behalf, is for any reason (other than (a) immediately above or as set out in Condition 18.8 or 18.9 above or in the applicable Final Terms), unable to procure any Deliverable Obligations, or a sufficient amount of Deliverable Obligations, by the thirtieth day following the Physical Settlement Date, then the Calculation Agent shall have the right in its sole discretion to either (i) in the case of (a) above, cause all of the Notes to become due and repayable as soon as reasonably practicable at their outstanding Aggregate Nominal Amount (excluding accrued interest) or (ii) in the case of (b) above, either (A)

elect Physical Settlement in a *pro rata* fashion that portion of each Note to the extent that the aggregate amount of Deliverable Obligations due exceeds the aggregate amount of Deliverable Obligations available and elect Cash Settlement for the remaining portion of each Note in accordance with (B) below, or (B) elect that Cash Settlement pursuant to the Partial Cash Settlement Terms shall apply to such Deliverable Obligation (such Deliverable Obligation being deemed an Undeliverable Obligation for these purposes) and the Issuer may satisfy its obligations in respect of such Deliverable Obligation by payment to the Noteholder(s) of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned *pro rata* among the Noteholders.

18.12 Partial Cash Settlement Terms

The following terms are deemed to be defined as follows for the purposes of the Partial Cash Settlement Terms referred to in Condition 18.8, 18.9, 18.10 and 18.11 above:

Cash Settlement is deemed to be the payment by the Issuer of the Cash Settlement Amount to the Noteholders on the Cash Settlement Date.

Cash Settlement Amount is deemed to be, for each Undeliverable Obligation or Undeliverable Loan Obligation, the aggregate of the greater of (i) the aggregate of (A) outstanding principal balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation or Undeliverable Loan Obligation, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Undeliverable Loan Obligation and (ii) zero.

Cash Settlement Date is deemed to be the date that is three Business Days after the calculation of the Final Price or such other date specified in the relevant Final Terms.

Dealer means a dealer, financial institution or fund (which, for the avoidance of doubt, shall include the Issuer or any Affiliate of the Issuer) that deals or invests in obligations of the type of Obligation(s) for which Quotations are to be obtained. The Calculation Agent shall select the Dealers in good faith and in a commercially reasonable manner. Upon a selected Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Dealer(s) for one or more of the foregoing. Any bid quotation provided by the Issuer shall be deemed to be a firm quotation that it would provide to a counterparty in the market.

Final Price means the price of the obligation being valued, expressed as a percentage, determined in accordance with the specified Valuation Method. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, notify the Issuer of each such Quotation that it receives in connection with the calculation of the Final Price and shall provide the Issuer a written computation showing its calculation of the Final Price.

Highest means the highest Quotation obtained by the Calculation Agent (or in accordance with the definition of "Quotation") with respect to any Valuation Date.

Latest Permissible Physical Settlement Date means, in respect of Condition 18.8, the date that is 30 calendar days after the Physical Settlement Date and, in respect of Condition 18.9, the date that is fifteen Business Days after the Physical Settlement Date.

Market means the Market Value determined by the Calculation Agent with respect to the Valuation Date.

Market Value means, with respect to obligations being valued on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations

have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest and lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained on any of the next ten Business Days thereafter, (vi) any one Full Quotation on such tenth Business Day, and or if no Full Quotation is obtained, the Market Value shall be the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

Minimum Quotation Amount shall be as specified in the applicable Final Terms or shall be deemed to be equal to the applicable Specified Denomination of the Notes.

Quotation means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date as follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

Quotation Amount shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, with respect to each type of Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, an amount equal to the outstanding principal balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Undeliverable Loan Obligation.

Quotation Method means the applicable quotation method which may be specified in the Final Terms as being one of the following:

- (a) **Bid** means that only bid quotations shall be requested;
- (b) **Mid** means that the bid and offer quotations shall be requested and averaged for the purposes of determining a relevant Dealer's quotation; or
- (c) **Ask** means that only offer quotations shall be requested.

Valuation Date is deemed to be the date that is two Business Days after the Latest Permissible Physical Settlement Date.

Valuation Time is deemed to be 11:00 a.m. London time, or 11:00 a.m. in the principal trading market of the relevant obligation as determined by the Calculation Agent, unless stated otherwise in the applicable Final Terms.

Valuation Method shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, (i) if only one Valuation Date, Highest, or (ii) if more than one Valuation Date, Average Highest, or if "Market" has been designated in the relevant Final Terms, "Market Value" shall apply.

Weighted Average Quotation means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Relevant Dealers at the Valuation Time, to the extent reasonably practicable, with an amount of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

18.13 Maturity Date Extension

Unless otherwise stated in the applicable Final Terms if, prior to any payment date under the Notes, (a) a Potential Failure to Pay has occurred with respect to one or more of the Obligations; (b) under the terms of such Obligation(s), a grace period is applicable to payments under the Obligation(s); and (c) such grace period does not expire on or prior to such payment date under the Notes, then such Interest Payment Date or, as the case may be, the Maturity Date, shall be postponed until the fifth Business Day after such Potential Failure to Pay has been remedied, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if the Potential Failure to Pay has not been remedied during the applicable grace period.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 as soon as reasonably practicable should the Maturity Date or any payment date be postponed pursuant to the foregoing.

18.14 Repudiation/Moratorium Maturity Date Extension

Unless stated otherwise in the applicable Final Terms if, prior to the Maturity Date under the Notes, (a) "Repudiation/Moratorium" is listed as an applicable Credit Event in the applicable Final Terms; (b) a Potential Repudiation/Moratorium has occurred with respect to one or more of the Obligations; and (c) such Potential Repudiation/Moratorium has not been remedied or rescinded prior to the Maturity Date, then the Maturity Date shall be postponed until the fifth Business Day after such Potential Repudiation/Moratorium has been remedied or rescinded, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if (i) such Potential Repudiation/Moratorium has not been remedied or rescinded by the sixtieth day after the original Maturity Date (or if the Obligation which is the subject of the Potential Repudiation/Moratorium is a Bond, the later of the sixtieth day or the first payment date under such Bond after the Maturity Date), or (ii) a Restructuring (without regard to the Default Requirement) or a Failure to Pay (determined without regard to the Payment Requirement or any change or amendment to such Obligation as a result of such Restructuring), has occurred with respect to any such Obligation.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 as soon as reasonably practicable should the Maturity Date be postponed pursuant to the foregoing.

18.15 Restructuring Credit Event Applicable

Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event, unless otherwise specified in the applicable Final Terms with respect to a specific Reference Entity, the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event. Accordingly, notwithstanding Conditions 18.1 to 18.14 above, where a Restructuring Credit

Event has occurred and the Issuer has delivered a Credit Event Notice for an amount that is less than the outstanding Aggregate Nominal Amount of the Notes outstanding immediately prior to the delivery of such Credit Event Notice (the **Exercise Amount**), the provisions of Conditions 18.1 to 18.14 above shall be deemed to apply to a nominal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly. Each such Note shall be redeemed in part (such redeemed part being equal to the resultant figure of the Exercise Amount divided by the number of Notes outstanding).

The Notes shall be deemed to be redeemed *pro rata* in an amount equal to the Exercise Amount only. The Notes in an amount equal to the Outstanding Amount shall remain outstanding and interest shall accrue on the Outstanding Amount as provided for in Condition 4 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

In respect of any subsequent Credit Event Notices delivered:

- (a) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Aggregate Nominal Amount of the Notes (and not a portion thereof); and
- (b) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the nominal amount is denominated or any integral multiple thereof or the entire then outstanding Aggregate Nominal Amount of the Notes.

If the provisions of this Condition 18.12 apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the applicable Final Terms relating to any particular Reference Entity, and Restructuring is the only Credit Event specified in a Credit Event Notice relating to such Reference Entity, then an obligation can only be a Deliverable Obligation if it (a) is a Fully Transferable Obligation and (b) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms relating to any particular Reference Entity, and Restructuring is the only Credit Event specified in a Credit Event Notice relating to such Reference Entity, then an obligation can only be a Deliverable Obligation if it (a) is a Conditionally Transferable Obligation and (b) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

18.16 General

For such period of time after the relevant Physical Settlement Date as the Issuer or any other person (other than a Noteholder) shall continue to be the legal owner of the securities, interests or other assets comprising the Deliverable Obligations (the **Intervening Period**), neither the Issuer nor any other such person shall:

- (a) be under any obligation to deliver or procure delivery to such Noteholder(s) or any subsequent beneficial owner of such securities any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such securities; or

- (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities during the Intervening Period; or
- (c) be under any liability to such Noteholder(s) or any subsequent beneficial owner of such securities in respect of any loss or damage which such Noteholder(s) or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities during such Intervening Period (including, without limitation, any loss or damage resulting from the failure to exercise any or all rights (including voting rights) attaching to such securities during the Intervening Period).

18.17 Terms relating to Successor Events

(a) Successor

- (i) For the purposes of these Conditions, Successor means:
 - (A) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:
 - I. if an entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
 - II. if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
 - III. if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and the Conditions and the Final Terms will be adjusted as provided in paragraph (b) below;
 - IV. if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will be a Successor and the Conditions and the Final Terms will be adjusted as provided in paragraph (ii)(b) below;
 - V. if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and

the Reference Entity and the Conditions and the Final Terms will not be changed in any way as a result of the Succession Event; and

VI. if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of the Relevant Obligations (or, if two or more entities succeed to an equal percentage of the Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

(B) In relation to a Sovereign Reference Entity, Successor means each entity which becomes a direct or indirect successor such to Reference Entity by way of Succession Event irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

(ii) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but not earlier than 14 calendar days after the legally effective date of the occurrence of the relevant Succession Event), and with effect from the legally effective date of the occurrence of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (i)(A)(VI) above, as applicable; provided that the Calculation Agent will not make any such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in (a) above and paragraphs (a) and (b)(A) of the definition of Succession Event Resolution Request Date (in the case of a Reference Entity that is not a Sovereign) or (b) above and paragraphs (a) and (b)(B) of the definition of Succession Event Resolution Request Date (in the case of a Sovereign Reference Entity) are satisfied in accordance with the Rules (until such time (if any) that ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating whether the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (i)(A)(VI) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information (as defined below). In the case of Notes listed on a stock exchange, the appropriate documentation will be filed with the relevant stock exchange.

Where applicable, the Calculation Agent shall apply, *mutatis mutandi*, the Resolution of the relevant Credit Derivatives Determinations Committee relating to a Succession Event to the relevant Notes.

(b) Adjustments following a Succession Event resulting in more than one Successor

(i) If, pursuant to paragraph (a)(i)(A)III or IV above, more than one Successor has been identified, then each Note shall be deemed, solely for purposes of the partial redemption provisions set out in this paragraph (b), to be divided into the same

number of new Notes (each a New Note) as there are Successors, with the following terms:

- (A) each Successor will be the Reference Entity for the purposes of one of the New Notes; and
 - (B) in respect of each New Note, the principal amount will be the principal amount of the Note divided by the number of Successors.
- (ii) If a Credit Event Determination Date occurs in respect of a Reference Entity in relation to a New Note, each Note will be partially redeemed in an amount equal to the principal amount of the relevant New Note (the aggregate of such principal amounts being the relevant Partial Redemption Amount). In such case, the provisions of this Condition 18 and the other provisions of the Final Terms shall apply to a principal amount of the Notes equal to the Partial Redemption Amount only and all such provisions shall be construed accordingly.
- (iii) The Notes, in an amount equal to their outstanding principal amount prior to any such partial redemption less the Partial Redemption Amount, shall remain outstanding (the **Principal Amount Outstanding**), subject to the Conditions and the Final Terms, which shall otherwise continue in full force and effect, including, without limitation, the accrual of interest on the Principal Amount Outstanding of such Notes as provided in Condition 4 and in the Final Terms (adjusted to reflect the partial redemption under this paragraph (b) and otherwise in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).
- (iv) For the avoidance of doubt:
- (A) notwithstanding the occurrence of a Credit Event in respect of a Reference Entity and partial redemption of the Notes as provided in this paragraph (b), nothing shall prevent the Calculation Agent from delivering a further Credit Event Notice in respect of any Credit Event that may occur in respect of any other Reference Entity; and
 - (B) the provisions of this Condition 18.17 (as a whole) shall apply to the portion of each Note represented by a New Note in the case of any subsequent Succession Event affecting the relevant Reference Entity.
- (v) If the Notes are partially redeemed pursuant to this paragraph (b), each such Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.
- (vi) The Calculation Agent shall adjust any other of the Conditions and/or the applicable Final Terms as it, in its sole and absolute discretion acting in a commercially reasonable manner, shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts any of the Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes in accordance with the Definitions.
- (vii) Upon the Calculation Agent determining the identity of more than one Successor in accordance with the provisions of this paragraph (b), the Issuer shall give notice as

soon as practicable to Noteholders in accordance with Condition 13), stating the adjustments it has made to the Conditions and/or the applicable Final Terms (including, inter alia, specifying the names of the Successors, setting out the Partial Redemption Amount, and giving brief details of the relevant Succession Event).

(viii) Where:

- (A) one or more Successors to the Reference Entity have been identified; and
- (B) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined by the Calculation Agent.

Substitute Reference Obligation means, for the purposes of this Condition 18, one or more obligations of the Reference Entity (either directly or as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- I. In the event that (i) a Reference Obligation is redeemed in whole or (ii) all Reference Obligations are being bought with respect to an unconditional public offer, or (iii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.
- II. Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* (or, if no such Obligation exists, then, at the Calculation Agent's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Issue Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent in good faith and a commercially reasonable manner, of the delivery and payment obligations under the Notes and (iii) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation(s).
- III. If more than one specific Reference Obligation is identified as a Reference Obligation in relation to the Final Terms, any of the events set forth under sub-paragraph I above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines in good

faith and in a commercially reasonable manner that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

- IV. If more than one specific Reference Obligation is identified as a Reference Obligation in the Final Terms, any of the events set forth under sub-paragraph I above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in good faith and a commercially reasonable manner that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- V. If (i) more than one specific Reference Obligation is identified as a Reference Obligation in relation to any Series, any of the events set forth in sub-paragraph I above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines in good faith and a commercially reasonable manner that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in sub-paragraph I above has occurred with respect to such Reference Obligation and the Calculation Agent determines in good faith and a commercially reasonable manner that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (A) either (i) Cash Settlement is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or (ii) either Auction Settlement or Physical Settlement is specified as the Settlement Method in the applicable Final Terms (or, in the case of Physical Settlement, is applicable pursuant to the Fallback Settlement Method) and, in each case, the Reference Obligation is the only Deliverable Obligation and (B) on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), a Substitute Reference Obligation has not been identified, the Issuer shall have the right on or after the Extension Date to early redeem the Notes at the Early Redemption Amount (determined by the Calculation Agent taking into account the creditworthiness of the Reference Entity at the time of early redemption) by notice to Noteholders in accordance with Condition 13.

For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

- (ix) For the purposes of this paragraph (b), the following definitions shall apply and, where relevant, shall modify the definitions set out elsewhere in the Conditions and/or the applicable Final Terms:

Best Available Information means:

- (A) in the case of a Reference Entity which files information (including unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred) with its primary securities regulators or primary stock exchange or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information or, if provided subsequently to unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of this paragraph (b), other information that is contained in any written communication provided by the Reference Entity to its primary securities regulators, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (B) in the case of a Reference Entity which does not file with securities regulators or a stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (A) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of this paragraph (b).

Information which is made available more than 14 days after the legally effective date of the Succession Event shall not constitute Best Available Information.

Relevant Obligations means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity to which such Relevant Obligations are transferred on the basis of the Best Available Information. If the date on which the Best Available Information is available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

Succession Event means (i) with respect to a Reference Entity that is not a Sovereign, 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 or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, "Succession Event" shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (B) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is

Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) applicable to the relevant Series.

Succession Event Backstop Date means (i) for purposes of any event that constitutes a Succession Event for purposes of the relevant Notes, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) or (ii) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Succession Event Notice is effective and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is delivered by the Calculation Agent to the Principal Paying Agent not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless specified in the applicable Final Terms that the Succession Event Backstop Date will be adjusted in accordance with a specified Business Day Convention.

Succession Event Notice means an irrevocable notice from the Calculation Agent to the Issuer that describes a Succession Event that occurred on or after the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, of (i) whether a Succession Event has occurred and (ii) if relevant, the identity of any Successor(s).

Succession Event Resolution Request Date means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event for purposes of a Series has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (A) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (B) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

For the purposes of this Condition 18.17, **succeed** means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to sub-paragraph (a)(1)(aa) above shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of

Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

Subsequent to a Succession Event, the Obligation Characteristics and Deliverable Obligation Characteristics of any Successor shall continue to be the same Obligation Characteristics and Deliverable Obligation Characteristics of the relevant predecessor Reference Entity of such Successor, unless the Calculation Agent notifies the Issuer and the Noteholders that the Obligation Characteristics and/or Deliverable Obligation Characteristics have been updated to reflect the then market standard based upon each such Successor's geographic region of organisation or jurisdiction.

18.18 Consequences of an Early Amortisation of the Reference Obligation

If the Reference Obligation Notional Amount, as specified in the applicable Final Terms, is subject to reduction as a result of scheduled or accelerated amortisation, acceleration of payment obligations, redemption or otherwise, but excluding any payment in respect of principal representing capitalised interest (an **Early Amortisation**), then the Issuer may elect in its sole and absolute discretion, after giving Notice to the Noteholders in accordance with Condition 13:

- (a) to maintain the terms and conditions of the Notes unaltered;
- (b) to partially redeem each Note within five (5) Business Days following the Early Amortisation Date by an amount (the **Redeemed Amount**) equal to its pro rata share of the Fair Market Value of such portion of the Reference Obligation Notional Amount early amortised on the Early Amortisation Date (as defined below) (where such pro rata share will be determined by reference to the proportion of the outstanding Aggregate Nominal Amount of the Notes), plus interest for the period from and including the Early Amortisation Date to but excluding the redemption date calculated on the basis of a rate of interest equal to the arithmetic mean of EONIA Fixed (as defined below) on the Early Redemption Date. The Specified Denomination, the formula or any other characteristics of the Notes shall be adjusted accordingly by the Calculation Agent to reflect such Early Amortisation. For the avoidance of doubt, the portion of the Notes not affected by the Early Amortisation shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13; or
- (c) to redeem in whole all but not some only of the Notes at their Fair Market Value.

EONIA Fixed means the reference rate as determined on the Early Redemption Date equal to:

- (a) the European Overnight Index Average for deposits in Euro as calculated on a daily basis under the supervision of the European Network of Central Banks and broadcast on the immediately following TARGET2 Business Day on page EONIA of the Reuters Monitor Money Rates Service (or any replacement page on that service) or, if no such service is available, the rate which appears on any other service which displays an average overnight rate for deposits in Euro as calculated on a daily basis selected by the Calculation Agent in its sole and absolute discretion (the **EONIA Screen Rate**); or
- (b) if no EONIA Screen Rate is available, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Calculation Agent at its request quoted to the Reference Banks by leading banks in the European interbank market on the immediately following TARGET2 Business Day for overnight deposits in Euro.

18.19 Definitions

For the purposes of this Condition 18 (unless otherwise specified in the applicable Final Terms or the context otherwise requires):

2005 Matrix Supplement means the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA on 7 March 2005.

Assignable Loan means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if such Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Deliverable Obligation Category).

Auction has the meaning set forth in the relevant Transaction Auction Settlement Terms as amended, if applicable, by the Auction Resolution.

Auction Cancellation Date has the meaning set forth in the relevant Transaction Auction Settlement Terms.

Auction Final Price has the meaning set forth in the relevant Transaction Auction Settlement Terms.

Auction Final Price Determination Date has the meaning set forth in the Transaction Auction Settlement Terms.

Auction Settlement means settlement in accordance with Condition 18.3.

Auction Settlement Amount means an amount, based on the Auction Final Price determined and calculated as specified in the applicable Final Terms.

Bankruptcy means a 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 judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgement 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 (B) is not dismissed, discharged, stayed or restrained in each case within 30 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 30 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 (a) to (h) (inclusive).

Bond means any obligation of a type included in the Borrowed Money Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

Bond or Loan means any obligation that is either a Bond or a Loan.

Borrowed Money means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

Business Day means Business Day as defined in Condition 4.2(a) and, in the case of Notes that the Issuer is to redeem by means of Physical Settlement, for the purposes of the Delivery of Deliverable Obligations, a day in any other jurisdiction on which securities settlement systems are open for settlement of the relevant Deliverable Obligations;

Business Day Convention means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustments will be made if that date would otherwise fall on a day that is not a Business Day so that:

- (a) if "Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day;
- (b) if "Modified Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and
- (c) if "Preceding" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first preceding day that is a Business Day;

Cash Settlement Amount means, unless specified otherwise in the applicable Final Terms, for each obligation being valued, including but not limited to each Reference Obligation, the greater of (i) the aggregate of (A) the outstanding principal balance, Due and Payable Amount or Currency Amount, as applicable, of each such Reference Obligation being valued as selected by the Calculation Agent in its sole and absolute discretion in the Reference Obligation Notice, multiplied by the (B) Final Price with respect to such Reference Obligation and (ii) zero.

Cash Settlement Date shall be the date that is three Business Days after the calculation of the Final Price or such other date as is specified in the applicable Final Terms.

Conditionally Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required

for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition.

Consent Required Loan means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Deliverable Obligation Category).

Credit Derivatives Auction Settlement Terms means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules.

Credit Derivatives Determinations Committees means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Credit Derivatives Determinations Committees 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 (the **Rules**).

Credit Event means any one or more of the events specified as such in the applicable Final Terms among Bankruptcy, Failure to Pay, Loss Event, Obligation Acceleration, Obligation Default, Repudiation/Moratorium and Restructuring.

Credit Event Backstop Date means (a) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition of Repudiation/Moratorium) for purposes of the relevant Notes, as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during the Notice Delivery Period and (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraph (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Credit Event Determination Date means, in respect of any Credit Event:

- (a) subject to subsection (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the

applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during either:

- (i) the Notice Delivery Period; or
 - (ii) the period (I) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date (II) to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or
- (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred, either:
- (i) the Credit Event Resolution Request Date, if either:
 - (A) (1) "Buyer or Seller" or neither "Buyer" nor "Seller" is specified as the applicable Hedging Arrangement Notifying Party in the applicable Final Terms;
 - (2) the relevant Credit Event is not a Restructuring; and
 - (3) either:
 - (y) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or
 - (z) Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms and the Trade Date occurs on or prior to the relevant DC Credit Event Announcement; or
 - (B) (1) either:
 - (y) "Buyer" or "Seller" is specified as the only applicable Hedging Arrangement Notifying Party in the applicable Final Terms and "Auction Settlement" is specified as the applicable Settlement Method in the applicable Final Terms; or
 - (z) the relevant Credit Event is a Restructuring; and
 - (2) the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the date falling two Business Days after the Exercise Cut-off Date; or
- (ii) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective during (I) the Notice Delivery Period or (II) the period

from, and including, the date on which ISDA publicly announces the occurrence of the relevant DC Credit Event Announcement to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:

- (A)
 - (1) "Buyer or Seller" or neither "Buyer" nor "Seller" is specified as the applicable Hedging Arrangement Notifying Party in the applicable Final Terms;
 - (2) the relevant Credit Event is not a Restructuring;
 - (3) Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; and
 - (4) the Trade Date occurs following the relevant DC Credit Event Announcement; or
- (B)
 - (1) "Buyer" or "Seller" is specified as the only applicable Hedging Arrangement Notifying Party in the applicable Final Terms; and
 - (2) either:
 - (y) "Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; or
 - (z) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on a date that is later than the date falling two Business Days after the relevant Exercise Cut-off Date,

provided that, in the case of paragraph (b) above, no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date;

provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the relevant Settlement Date, the Credit Event Redemption Date or the Scheduled Termination Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity or Obligation thereof.

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to a preceding Interest Payment Date, the Calculation Agent will determine (1) such adjustment(s) to these provisions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Noteholders as would have prevailed

had a Credit Event Determination Date not occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s).

Credit Event Notice means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time and on or prior to of the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

Credit Event Redemption Amount means the Auction Settlement Amount, the Delivery of Deliverable Obligations in accordance with Physical Settlement or the Cash Settlement Amount (as appropriate).

Credit Event Redemption Date means (i) in the case of Auction Settlement, the Auction Final Price Determination Date, (ii) in the case of Cash Settlement, the Cash Settlement Date; (ii) in the case of Physical Settlement, the Physical Settlement Date or, (iii) if Physical Settlement applies, but on the Physical Settlement Date, some or all of the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered for any reason as set out in Condition 18.8, 18.9, 18.10 and 18.11 above, the Partial Cash Settlement Terms (as set out in Condition 18.12) will apply. In such case: (A) if all such Deliverable Obligations cannot be Delivered as aforementioned, the Credit Event Redemption Date will be the Cash Settlement Date (as defined in Condition 18.12), or (B) if only some of such Deliverable Obligations cannot be delivered as aforementioned, the Credit Event Redemption Date for all such Deliverable Obligations shall be the later of (1) the Cash Settlement Date that applies to such Deliverable Obligations that cannot be Delivered as aforementioned, and (2) the Physical Settlement Date for such Deliverable Obligations which can be Delivered.

Default Requirement means the amount specified as such in the applicable Final Terms, and if none is specified, the amount will be US\$ 10,000,000 or the equivalent in any other currency.

Delivery Agent means the Issuer or such other entity designated for such purpose as specified in the applicable Final Terms.

Deliverable Obligation means:

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance company or similar entity if such entity is a Reference Entity) or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that is (i) payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in Condition 18.1(b)(i)-(iii) or right of set off by or of a Reference Entity or any applicable Underlying Obligor, and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or

similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

- (b) subject to the second sentence in the definition of "Not Contingent", each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in Condition 18.1(b)(i)-(iii)) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any other obligation of a Reference Entity specified as such in the applicable Final Terms,

provided that:

- (i) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" are specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Fully Transferable Obligation, and (B) has a final maturity date not later than the Restructuring Maturity Limitation Date; and
- (ii) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" are specified as applicable in the applicable Pricing Circular Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Conditionally Transferable Obligation, and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

The Deliverable Obligations to be Delivered by the Issuer to the Noteholders shall have an outstanding principal balance (excluding accrued interest) equal to the outstanding Aggregate Nominal Amount of the Notes, subject to Condition 18.11 above.

If the term "Deliverable Obligation" is to apply to Notes to be redeemed by the Issuer by means of Cash Settlement, references to "Delivery Date" shall be deemed to be references to "Valuation Date".

Deliverable Obligation Characteristics means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Sovereign Lender, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Deliverable Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligation may include any Loan that satisfies any one of such

Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

Disrupted Day means any day on which a Market Disruption Event has occurred.

Domestic Currency means the currency specified as such in the related Final Terms and any successor currency. If no currency is specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (or any successor currency to any such currency).

Early Amortisation Date means the Business Day on which the Redeemed Amount plus accrued interest is actually paid to the as holder of the Reference Obligation.

Event Determination Date means, in respect of any Credit Event, the first date on which the related Credit Event Notice and, if specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are effective in accordance with the Conditions.

Expected Payment Amount means a payment of interest or principal due or scheduled to be paid pursuant to the terms of the Reference Obligation or any financial guarantee insurance policy or similar financial guarantee in respect of the Reference Obligation.

Extension Date means the latest of (a) the Scheduled Termination Notice Date; (b) the Grace Period Extension Date if (i) "Grace Period Extension" is specified as applying in the applicable Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); and (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in paragraph (b) of the definition of Repudiation/Moratorium occurs after the Scheduled Maturity Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and (iii) the Repudiation/Moratorium Extension Condition is satisfied;

Failure to Pay means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

Fallback Settlement Method means, with respect to Notes for which Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, the fallback settlement method specified in the applicable Final Terms;

Final Price means the price, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms.

Fitch means Fitch Ratings Ltd.

Fully Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Fully Transferable Obligation, such determination shall be made as of the Delivery Date, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

ISDA means the International Swaps and Derivatives Association, Inc.

Latest Maturity Restructuring Bond or Loan has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

Limitation Date means the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **2.5-year Limitation Date**), 5 years (the **5-year Limitation Date**), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the **20-year Limitation Date**), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless it is specified in the applicable Final Terms that Limitation Dates will be adjusted in accordance with a specified Business Day Convention.

Listed means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

Loan means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

Loss Event means, as determined by the Calculation Agent in its sole and absolute discretion: (i) the occurrence of a Principal Reduction pursuant to the terms of the Reference Obligation; and (ii) the satisfaction of one or more of the following conditions: (a) the terms of the Reference Obligation do not provide for the reinstatement or reimbursement of the Principal Reduction; or, (b) the terms of the Reference Obligation do not provide for interest to be paid, at the Scheduled Interest Rate, on the Principal Reduction, from the day of the Principal Reduction until the day on which such Principal Reduction is reinstated or reimbursed in full; or, (c) the terms of the Reference Obligation do not provide for interest to be paid, at a rate at least equal to the Scheduled Interest Rate, on the interest which would have accrued on the Principal Reduction from the day of the Principal Reduction until the day on which such Principal Reduction is reinstated or reimbursed in full.

Maximum Maturity means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the related Final Terms.

Modified Restructuring Maturity Limitation Date means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Notice Date, provided that, in circumstances where the Scheduled Termination Notice Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Where "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and the Scheduled Termination Notice Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Termination Notice Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Termination Notice Date is later than (A) the 2.5 year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Termination Notice Date.

Moody's means Moody's Investors Service Inc.

Multiple Holder Obligation means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b).

Not Bearer means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Clearstream, Luxembourg, Euroclear or any other internationally recognised clearing system. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Not Bearer is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified Deliverable Obligation Category).

Not Contingent means any obligation having as of the Physical Settlement Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment or, in the case of any Qualifying Guarantee, the beneficiary's giving notice that a payment is due under such Qualifying Guarantee or any other similar procedure requirement). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the [Physical Settlement Date]** [Credit Valuation Date]*.]

Not Domestic Currency means any obligations that is payable in any currency other than the Domestic Currency.

Not Domestic Issuance means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for primarily in the domestic market of the Reference Entity.

Not Domestic Law means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign. Unless otherwise specified in the related Final Terms, the laws of England and the laws of the State of New York shall not be a Domestic Law.

Notice Delivery Period means the period from and including the Issue Date to and including the Maturity Date.

Notice of Physical Settlement means an irrevocable notice from the Issuer that confirms that the Issuer will Deliver the Deliverable Obligations to the Noteholder, containing a detailed description of the type of Deliverable Obligations that the Issuer reasonably expects to Deliver, which may be amended to the extent that the Calculation Agent determines that it is impracticable to Deliver such Deliverable Obligations.

Notice of Publicly Available Information means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer and the Principal Paying Agent that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. The notice given must contain a copy or a description in reasonable detail of the relevant Publicly Available Information. If Notice of Publicly Available Information is a Condition to Settlement in the Final Terms and a Credit Event Notice cites Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

Not Sovereign Lender means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

Not Subordinated means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph I of the definition of Substitute Reference Obligation has occurred with respect to all of the Reference Obligations or if the final paragraph of the definition of Successor is applicable with respect to the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date.

Obligation means (a) any obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance

company or similar entity if such entity is a Reference Entity) or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) described in the Obligation Category and having the Obligation Characteristics specified in the applicable Final Terms, (b) each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Obligation, and (c) any other obligation of the Reference Entity specified in the applicable Final Terms.

Obligation Acceleration means one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Obligation Category means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms.

Obligation Characteristics means any one or more of Not Subordinated, Not Sovereign Lender, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, and Not Domestic Issuance as specified in the related Final Terms.

Obligation Default means one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) have become capable of being declared due and payable before they would otherwise have been due and payable as a result of the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Outstanding Amount means, where Notes have been redeemed *pro rata* in an amount equal to the Exercise Amount following the occurrence of a Restructuring Credit Event, the amount of Notes remaining after such redemption, being equal to the outstanding Aggregate Nominal Amount of the Notes prior to such redemption less the Exercise Amount.

Payment means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

Payment Requirement means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if Payment Requirement is not so specified, U.S.\$1,000,000 or its equivalent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

Permitted Currency means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership); or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard and Poor's or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

Physical Settlement means Delivery of the Deliverable Obligations in accordance with Condition 18.6 above and Condition 18.12.

Physical Settlement Date means the date which is specified as such in the applicable Final Terms.

Potential Failure to Pay means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more

Obligations without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligation, in accordance with the terms of such Obligations at the time of such failure.

Potential Repudiation/Moratorium means the occurrence of an event described in part (a) of the definition of "Repudiation/Moratorium".

Principal Reduction means a reduction in the principal amount of the Reference Obligation other than in connection with a scheduled or non-scheduled payment of principal. For the avoidance of doubt any such scheduled or non-scheduled payment of principal shall include any scheduled or accelerated amortisation, acceleration of payment obligations with regard to principal or redemption.

Public Source means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not specified in the applicable Final Terms, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

Qualifying Policy means (i) a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all interest and principal payments (which may exclude certain default interest and indemnities) of an instrument that constitutes borrowed money for which another party (including a special purpose entity or trust) is the obligor, and (ii) an Obligation and Deliverable Obligation (which for the avoidance of doubt, must satisfy the relevant Deliverable Obligation Characteristics in respect of the relevant Reference Entity) in each case a Reference Entity is a monoline insurance company, notwithstanding the relevant Final Terms.

Quotation means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers, and if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation shall are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which the firm quotations were not obtained on such day.

Quotation Method means the applicable quotation method which may be specified in the Final Terms as being one of the following:

- (a) **Bid** means that only bid quotations shall be requested;
- (b) **Mid** means that the bid and offer quotations shall be requested and averaged for the purposes of determining a relevant Dealer's quotation; or

(c) **Ask** means that only offer quotations shall be requested.

Reference Entity means each entity specified as such in the applicable Final Terms. In addition, any Successor to a Reference Entity either (a) identified pursuant to the definition of "Successor" in these Conditions on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules shall, in each case, be the Reference Entity for the purposes of the relevant Series; or

Reference Obligation means any obligation specified as such or of a type described in the applicable Final Terms and any Substitute Reference Obligation.

Reference Obligation Notice means an irrevocable notice from the Issuer sent not later than thirty (30) calendar days following the relevant Event Determination Date that includes a description of the Reference Obligation(s) to be used for valuation of the Cash Settlement Amount as follows:

- (a) title or designation;
- (b) maturity date; and
- (c) in the case of a Bond, the ISIN or CUSIP number.

Reference Obligations Only means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

Reference Period means the period from and including the Issue Date until and including the Scheduled Termination Date (without prejudice to Conditions 18.13 and 18.14) or such other period as is specified in the applicable Final Terms.

Reference Price means the price specified as such in the applicable Final Terms, and if none is specified, 100 per cent.

Repudiation/Moratorium means the occurrence of both of the following events:

- (a) an authorised officer of a Reference Entity or a Governmental Authority:
 - (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement (if any), or
 - (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) and
- (b) as Failure to Pay, determined without regard to the Payment Requirement or any change or amendment to any such Obligation as a result of (ii) above, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

Repudiation/Moratorium Evaluation Date means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich mean time (or, if the Transaction Type of the Relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i)

the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Extension Date shall occur no later than the Scheduled Termination Notice Date unless the Repudiation/Moratorium Extension Condition is satisfied.

Repudiation/Moratorium Extension Condition will be satisfied: (i) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Notice Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium for purposes of a Series has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Maturity Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) or (ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available is specified as applicable in the applicable Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Notice Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Notice Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium for purposes of a Series with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium for purposes of a Series has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

Repudiation/Moratorium Extension Notice means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

Resolve has the meaning set out in the Rules, and "Resolved" and "Resolves" shall be interpreted accordingly.

Restructured Bond or Loan means an Obligation which is a Bond or Loan and in respect of which a Restructuring has occurred.

Restructuring means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement (if any), any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the (i) Credit Event Backstop Date applicable to a Series and (ii) the date as of which such Obligation is issued or incurred:
- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.
- (b) Notwithstanding the above, none of the following shall constitute a Restructuring: (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the Functioning of the European Union; (ii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) - (v) above due to any administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and (iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) - (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, or the Reference Obligation.
- (c) For purposes of (a) and (b) above and (d) below, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) shall continue to refer to the Reference Entity.
- (d) Unless Multiple Holder Obligation is specified as not applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in (a), (b) or (c) above, the occurrence of, agreement to or announcement of any of the events described in (a)(i) - (v) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

Restructuring Date means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

Restructuring Maturity Limitation Date means with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Notice Date, provided that, in circumstances where the Scheduled Maturity Notice Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Maturity Notice Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Notice Date is later than (i)(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Notice Date.

Scheduled Maturity Date means the date specified as such in the applicable Final Terms.

Scheduled Termination Date means the earlier of (i) the date at which the outstanding principal amount of the Reference Obligation has been reduced to zero; and (ii) the date specified as such in the applicable Final Terms.

Scheduled Termination Notice Date means the day falling two Business Days immediately preceding the Scheduled Termination Date;

Settlement Method means, if (a) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Auction Settlement, (b) Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms, Physical Delivery.

Specified Currency means an obligation that is payable in the currency or currencies specified as such in the related Final Terms (or, if Specified Currency is specified in the related Final Terms and no currency is specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (and any successor currency to any of the aforementioned currencies), which currencies shall be referred to collectively as the **Standard Specified Currencies**).

Sovereign Restructured Deliverable Obligation means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject as set out in the definition of "Deliverable Obligation Category", having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

Standard & Poor's means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

Transaction Auction Settlement Terms means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms with respect to the relevant Reference Entity.

Transferable means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following will be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Transferable is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified Deliverable Obligation Category).

Unwind Amount means in respect of any Note the amount specified in the applicable Final Terms or if "**Standard Unwind Costs**" are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* in respect of each Note (where such apportionment will be determined by reference to the proportion that the outstanding nominal amount of any Note bears to the outstanding Aggregate Nominal Amount of the Notes).

Valuation Date means the date specified in the applicable Final Terms.

Valuation Time means the relevant time specified in the applicable Final Terms, of if "Calculation Agent" is specified, any time (as selected by the Calculation Agent in its sole and absolute discretion) on the Valuation Date during the hours that Dealers customarily bid for obligations such as the Reference Obligation.

19. ADDITIONAL PROVISIONS APPLICABLE TO INDEX LINKED NOTES

This Condition 19 applies to Index Linked Notes only. The Technical Annex set out on pages 214 to 220 of this Base Prospectus contains provisions relating to the formula used to determine the pay-off under Index Linked Notes and the applicable Final Terms contains provisions applicable to the determination of the performance of the relevant Index or Indices as well as other relevant provisions and must be read in conjunction with this Condition 19 and with the Technical Annex for full information on any Index Linked Notes. In particular, the applicable Final Terms will identify the relevant Index or Indices, the relevant Screen Page, the Component Transactions, the applicable formula.

19.1 Market Disruption

Market Disruption Event means, in relation to Notes relating to a single Index or basket of Indices, the occurrence or existence of (i) a Trading Disruption or, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (x) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at

the time when the level of such Index triggers respectively the Knock-in Level or the Knock-out Level or (y) in all other circumstances ends at the relevant Valuation Time, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a security, a contract or a Component Transaction included in such Index at any time, then the relevant percentage contribution of that security, that contract or that Component Transaction to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that security, that contract or that Component Transaction and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been an Averaging Date, an Observation Date, a Knock-in Determination Day, a Knock-out Determination Day or a Valuation Date.

19.2 Adjustments to an Index

(a) Successor Index Sponsor Calculates and Reports an Index

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

(b) Modification and Cessation of Calculation of an Index

If (i) on or prior to the last Valuation Date, last Observation Date, last Averaging Date, the last Knock-in Determination Day or the last Knock-out Determination Day, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts, commodities or Component Transaction and other routine events) (an **Index Modification**), or permanently cancels a relevant Index and no Successor Index exists (an **Index Cancellation**), or (ii) on a Valuation Date, an Observation Date, an Averaging Date, a Knock-in Determination Day or Knock-out Determination Day, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and, together with an Index Modification and an Index Calculation, each an **Index Adjustment Event**), then,

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, Observation Date, that Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities/Component Transactions that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) on giving notice to Noteholders in accordance with Condition 13, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging

arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13.

(c) Notice

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

19.3 Correction of Index

With the exception of any corrections published after the day which is, unless stated otherwise in the applicable Final Terms, three Exchange Business Days prior to the due date for any payment of a Redemption Amount and/or Interest Amount, if the Index published on a given day and used or to be used by the Calculation Agent to determine any Redemption Amount and/or Interest Amount, is subsequently corrected and the correction published by the relevant Index Sponsor within 30 days of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is, unless stated otherwise in the relevant Final Terms, three Exchange Business Days prior to the relevant Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Redemption Amount and/or Interest Amount.

19.4 Additional Disruption Events

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) redeem the Notes by giving notice to the Noteholders in accordance with Condition 13. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the holders in accordance with Condition 13 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

19.5 Knock-in Event and Knock-out Event

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

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

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

For the purposes of this Condition 19:

Knock-in Event means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant weighting is and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

Knock-in Level means (A) in the case of a single Index, the level of the Index specified and (B) in case of a basket of Indices, the level per Basket specified and for both (A) and (B) as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 19.1 above.

Knock-in Determination Day means, in the case of a single Index and in the case of a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 19.1 above. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

Knock-in Determination Period means, in respect of a single Index or a basket of Indices the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

Knock-in Period Beginning Date means, in respect of a single Index or a basket of Indices the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

Knock-in Period Ending Date means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

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

Knock-out Event means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant weighting is, and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

Knock-out Level means, in the case of a single Index, the level of the Index specified and in the case of a basket of Indices, the level per basket specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 19.1 above.

Knock-out Determination Day means, in respect of a single Index and in relation to a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 19.1 above. For the purposes of a Market Disruption, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

Knock-out Determination Period means, in respect of a single Index or a basket of Indices, the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

Knock-out Period Beginning Date means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

Knock-out Period Ending Date means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

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

19.6 Automatic Early Redemption Event

If Automatic Early Redemption Event is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation

Date, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

For the purposes of these Conditions:

Automatic Early Redemption Amount means (a) an amount in the Specified Currency specified in the applicable Final Terms specified as such in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

Automatic Early Redemption Event means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date is, and (B) in the case of a Basket of Indices, the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index of each Index as the product of (i) the level of such Index as determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date and (ii) the relevant weighting is, and for both (A) and (B) as specified in the Final Terms (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price.

Automatic Early Redemption Level means the level of the Index specified as such or otherwise determined in the applicable Final Terms, subject to "Adjustment to the Index" set forth in Condition 19.2 above.

Automatic Early Redemption Rate means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Automatic Early Redemption Valuation Date".

19.7 Additional Definitions

For the purposes of this Condition 19:

Additional Disruption Event means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

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

Average Highest means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

Averaging Date means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

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

- (iii) for the purposes of these Conditions **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

Change of Law means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (x) it has become illegal to hold, acquire or dispose of relevant security/commodity comprised in an Index or (y) it will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

Component Security means each and any component security of any Index.

Component Transaction means each and any combination of any security and/or derivative (including interest rates) contracts composing the Index as determined from time to time by the Relevant Dealers and as defined in the applicable Final Terms.

Disrupted Day means any Scheduled Trading Day on which the Exchange or the Related Exchange fails to open for trading during their regular trading session or a Market Disruption Event has occurred.

Early Closure means the closure on any Exchange Business Day with respect to such Index of any relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of such Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

Exchange means in respect of Index Linked Notes and in relation to an Index each exchange or quotation system or over the counter exchange identified by reference to a Financial Center, specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities/contracts comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities/contracts comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).

Exchange Business Day means the relevant Exchange Business Day specified in the applicable Final Terms. If no Exchange Business Day is specified as applying in the applicable Final Terms, Exchange Business Day shall mean any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Exchange Disruption means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants and Relevant Dealers in general (A) to effect transactions in, or obtain market values for on any relevant Exchange(s) in securities/commodities/contracts that comprise 20 percent or more of the level of the relevant Index,

or (B) to effect transactions in, or obtain market values for, futures, options or any derivative contracts relating to the relevant Index on any relevant Related Exchange.

Full Quotation means, in accordance with the Quotation Method, any firm quotations obtained from Relevant Dealers at the Valuation Time, to the extent reasonably practicable, for an amount of less than the Quotation Amount; that in aggregate are approximately equal to the Quotation Amount.

Hedging Disruption means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity, credit, interest rates, foreign currency exchange, or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

Hedging Components means the number of securities/commodities/contracts comprised in an Index that the Issuer deems necessary to hedge the equity, credit, interest rates, foreign currency exchange or other price risk of entering into and performing its obligations with respect to the Notes.

Highest means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

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

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

Indices and Index mean, subject to adjustment in accordance with Condition 19.2, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly.

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

Initial Stock Loan Rate means, in respect of a security/commodity/contracts comprised in an Index, the initial stock loan rate specified in relation to such security or commodity in the applicable Final Terms.

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

Market Value means, unless stated otherwise in the applicable Final Terms, with respect to the Index level being valued on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest and lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, an amount as determined by the Calculation Agent on any of the next ten Business Days thereafter on which two or more Full Quotations or a Weighted Average Quotation is obtained; and (vi) if two or more Full Quotations or a Weighted Average Quotation are not obtained within this additional ten Business Days' period, any one Full Quotation on such tenth Business Day, or if no Full Quotation is obtained, the Market Value shall be the weighted average of any firm quotations obtained from Relevant Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

Maximum Stock Loan Rate means, in respect of a security/commodity/contracts comprised in an Index, the Maximum Stock Loan Rate specified in the applicable Final Terms.

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

Observation Period means the period specified as the Observation Period in the applicable Final Terms.

Quotation means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date as follows: unless stated otherwise in the applicable Final Terms, the Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Relevant Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Relevant Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Relevant Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Relevant Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which the firm quotations were not obtained on such day.

Quotation Amount shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, an amount equal to the amount necessary to unwind the hedge of the Issuer in relation with the Notes.

Quotation Method means the applicable quotation method which may be specified in the Final Terms as being one of the following:

- (a) **Bid** means that only bid quotations shall be requested;
- (b) **Mid** means that the bid and offer quotations shall be requested and averaged for the purposes of determining a relevant Dealer's quotation; or
- (c) **Ask** means that only offer quotations shall be requested.

Relevant Dealers means official bank dealers (other than the Issuer or an affiliate of the Issuer) of the Index as appointed by the relevant Index Sponsor, or three financial institutions, selected by the Calculation Agent, that significantly deals or invests in the Index or Component Transactions for which Quotations are to be obtained. The Calculation Agent shall select the Relevant Dealers in good faith and in a commercially reasonable manner. Upon a selected Relevant Dealer no longer being in existence (with no successors), or not being an active dealer in the Index or Component Transactions of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Relevant Dealer(s) for one or more of the foregoing. Any bid quotation provided by the Issuer shall be deemed to be a Firm Quotation that it would provide to a counterparty in the market.

Relevant Level means the level of the Index as determined by the Calculation Agent at Valuation Time on any Valuation Date, using as specified in the applicable Final Terms, either (i) the official closing level for such Index, or (ii) the official fixing eventually calculated and/or published by the Index Sponsor; or, if nothing is specified in the Final Terms, the Valuation Method as set out therein.

Related Exchange means, in respect of Index Linked Notes and in relation to an Index, each exchange or quotation system or over the counter exchange identified by reference to a Financial Center, on which futures, options or derivatives contracts relating to such Index are traded, or each exchange or quotation system or over the counter exchange identified by reference to a Financial Center, specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or over the counter exchange, or any substitute exchange or quotation system or over the counter exchange to which trading in futures, options or derivatives contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures, options or derivatives contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **Related Exchange** shall mean each exchange or quotation system or over the counter exchange where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures, options or derivatives contracts relating to such Index.

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

Scheduled Trading Day means the relevant Scheduled Trading Day specified in the applicable Final Terms. If no Scheduled Trading Day is specified as applying in the applicable Final Terms, Scheduled Trading Day shall mean any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading for their respective regular trading sessions, and for which and with respect to each over the counter exchange identified by reference to a Financial Center, Relevant Dealers are scheduled to be opened for business, to bid for the relevant Index and Component Transactions.

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

Screen Page means the page specified in the applicable Final Terms, or any successor page or service thereto.

Settlement Price means, unless otherwise specified in the applicable Final Terms, in relation to each Cash Settled Note in respect of Index Linked Notes and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

- (a) in the case of Index Linked Notes relating to a basket of Indices, an amount (which shall be deemed to be a monetary amount in the Index Currency) equal to the sum of the values calculated for each Index as the Relevant Level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant multiplier; and
- (b) in the case of Index Linked Notes relating to a single Index, an amount (which shall be deemed to be a monetary amount in the Index Currency) equal to the Relevant Level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date.

Specified Maximum Days of Disruption means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

Trading Disruption means (1) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to securities that comprise 20 percent or more of the level of such Index on any relevant Exchange(s) or (b) in futures, options or derivatives contracts relating to such Index on any relevant Related Exchange; and, (2) in case of Component Transactions scheduled to be quoted on an over the counter exchange identified by reference to a Financial Center, any time or day on a Scheduled Trading Day during which the Calculation Agent is unable to obtain a Quotation, as provided by the Valuation Method.

Valuation Date means the Coupon Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes are Index Linked Notes relating to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the

Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security/commodity/derivatives contracts comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity/derivatives contracts on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity/derivatives contracts as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

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

and otherwise in accordance with the above provisions.

Valuation Method shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, (i) if only one Valuation Date, Highest, or (ii) if more than one Valuation Date, Average Highest, or if "Market" has been designated in the relevant Final Terms, "Market Value" shall apply.

Valuation Time means:

- (a) the Relevant Time specified in the applicable Final Terms; and
- (b) if "Calculation Agent" is specified in the applicable Final Terms, any time (as selected by the Calculation Agent in its sole and absolute discretion) on the Valuation Date during the hours that Relevant Dealers customarily bid for the relevant Index or any of its Component Transactions; and
- (c) the Scheduled Closing Time on the Exchange on the Valuation Date. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

Weighted Average Quotation means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Relevant Dealers at the Valuation Time, to the extent reasonably practicable, for an amount of less than the Quotation Amount, that in aggregate are approximately equal to the Quotation Amount.

20. ADDITIONAL PROVISIONS APPLICABLE TO EQUITY LINKED NOTES

This Condition 20 applies to Equity Linked Notes only. The Technical Annex set out on pages 214 to 220 of this Base Prospectus contains provisions relating to the formula used to determine the pay-off under Equity Linked Notes and the applicable Final Terms contains provisions applicable to the determination of the performance of the relevant Share(s) as well as other relevant provisions and must be read in conjunction with this Condition 20 and with the Technical Annex for full information on any Equity Linked Notes. In particular, the applicable Final Terms will identify the relevant Share(s), the relevant Screen Page, the applicable formula.

20.1 Market Disruption

Market Disruption Event means, in relation to Notes relating to a single Share or a basket of Shares, in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent in its sole and absolute discretion, determines is material, at any time during the one hour period that (x) for the purpose of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time on which the price of the Shares triggers respectively the Knock-in Price or a Knock-out Price or (y) in all other circumstances ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, an Observation Date, a Knock-in Determination Date, a Knock-out Determination Day or a Valuation Date.

20.2 Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency

(a) **Potential Adjustment Event** means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing Noteholders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing Noteholders of the relevant Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to Noteholders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or certificates or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

- (vi) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, certificates, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
 - (vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.
- (b) Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 stating the adjustment to any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

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

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

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

Merger Event means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or

person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Notes, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Note or (b) in the case of Physical Delivery Notes, the relevant Maturity Date.

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

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

Tender Offer Date means, in respect of a Tender Offer, the date on which the voting shares in the amount of the Percentage Range are actually purchased or otherwise obtained, as determined by the Calculation Agent.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii), (iv) or (v) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or
- (ii) in the case of Equity Linked Notes relating to a basket of Shares redeem the Notes in part by giving notice to Noteholders in accordance with Condition 13. If the Notes are so redeemed in part the portion (the **Redeemed Amount**) of each Note representing the affected Share(s)

shall be redeemed and the Issuer will (i) pay to each Noteholder in respect of each Note held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for in the applicable Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for such redemption in part. For the avoidance of doubt the remaining part of each Note after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13; or

- (iii) unless Delayed Redemption on Occurrence of Extraordinary Events is specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Condition 13, redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for in the applicable Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13; or
- (iv) if Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Amount**) as soon as practicable, following the occurrence of the Extraordinary Event (the **Calculated Amount Determination Date**) and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to the Calculated Amount plus interest accrued from and including the Calculated Amount Determination Date to but excluding the Maturity Date at a rate specified in the applicable Final Terms, or if no such specification, at a rate equal to Issuer's funding cost at such time.
- (v) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the Options Exchange), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

- (vi) If the applicable Final Terms provide that **Share Substitution** is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or Delisting (as the case may be) the Calculation Agent may adjust the Basket to include a share selected by it (the **Substitute Shares**) in place of the Shares (the **Affected Share(s)**) which are affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting and the Substitute Shares and their issuer will be deemed "Shares" and a **Share Company** and **Basket Company** for the purposes of the Notes, respectively, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or the weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

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

The weighting of each Substitute Share in the Basket will be equal to the weighting of the relevant Affected Share.

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

- (A) is not already comprised in the Basket;
 - (B) belongs to a similar economic sector as the Affected Share; and
 - (C) is of comparable market capitalisation, international standing and exposure as the Affected Share.
- (d) Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the holders in accordance with Condition 13 of the General Conditions stating the occurrence of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, including, in the case of Substitute Shares, the identity of the Substitute Shares and the Substitution Date.

20.3 Correction of Share Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of any Redemption Amount and/or Interest Amount, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to determine any Redemption Amount and/or Interest Amount, is subsequently corrected and the correction published by the relevant Exchange or Related Exchange, as the case may be, within 30 days of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Redemption Amount and/or Interest Amount.

20.4 Issuer's Option to substitute Assets or to pay the Alternate Cash Redemption Amount

If prior to the redemption of Physical Delivery Notes, the Calculation Agent determines, in its sole and absolute discretion, that the Relevant Asset(s) comprise(s) Shares which are not freely tradable, the Issuer may, in its sole and absolute discretion, elect either (i) to substitute for such Shares freely tradable shares with a value equivalent to the Shares (as determined by the Calculation Agent in its sole and absolute discretion)(the **Substitute Asset(s)**) or (ii) not to deliver or procure the delivery of the Asset Amount or the Substitute Asset(s), as the case may be, but in lieu thereof to pay to the Noteholders on the Settlement Date an amount equal to the fair market value of the Asset Amount on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the **Alternate Cash Redemption Amount**). Notification of any such election will be given to Noteholders in accordance with Condition 13.

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

20.5 Additional Disruption Events

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) unless Delayed Redemption on occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, redeem the Notes by giving notice to the Noteholders in accordance with Condition 13. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13.
 - (iii) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Additional Disruption Amount**) as soon as practicable, following the occurrence of the Extraordinary Event (the **Calculated Additional Disruption Amount Determination Date**) and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date at a rate specified in the applicable Final Terms, or if no such specification, at a rate equal to Issuer's funding cost at such time.

- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the holders in accordance with Condition 13 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

20.6 Knock-in Event and Knock-out Event

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment and/or delivery under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then unless otherwise specified in such Final Terms, amendment to the terms of the Notes, as specified in the applicable Final Terms, and/or payment and/or delivery under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

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

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

For the purposes of these Conditions:

Knock-in Event means (unless otherwise specified in the applicable Final Terms) (A) in case of a single Share that the price of the Share determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (B) in case of a share Basket, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on the relevant Exchange on any Knock-in Determination Day and (ii) the relevant Number of Shares comprised in the Basket is as specified in the applicable Final Terms, and for both (A) and (B) (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price.

Knock-in Determination Day means in the case of a single Share and in the case of a basket of Shares, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 20.1 above. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply mutatis mutandis as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

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

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

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

Knock-in Price means, (A) in case of a single Share, the price per Share and (B) in the case of a share Basket, the price per Basket and for both (A) and (B) specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Condition 20.2 above and this Condition 20.6.

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

Knock-out Event means (unless otherwise specified in the applicable Final Terms), (A) in case of a single Share that the price of the Share determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is, and (B) in the case of a share Basket, the amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on the relevant Exchange on any Knock-in Determination Day and (ii) the relevant Number of Shares comprised in the Basket is, and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price.

Knock-out Price means, (A) in the case of a single Share, the price per Share or (B) in the case of a share Basket the price per Basket and for both (A) and (B) specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Condition 20.2 above and this Condition 20.6.

Knock-out Determination Day means in the case of a single Share and in the case of a basket of Shares, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 20.1 above. For the purposes of such Condition 20.1, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

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

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

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

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

20.7 Automatic Early Redemption Event

If Automatic Early Redemption Event is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

For the purposes of this Condition 20:

Automatic Early Redemption Amount means (a) an amount in the Specified Currency specified in the applicable Final Terms specified as such in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

Automatic Early Redemption Date means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

Automatic Early Redemption Event means (unless otherwise specified in the applicable Final Terms) (A) in case of a single Share that the price of the Share determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Automatic Early Redemption Valuation Date is, and (B) in the case of a share Basket, the amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) the price of such Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Automatic Early Redemption Valuation Date and (ii) the relevant Number of Shares comprised in the Basket is, and for both (A) and (B) as specified in the applicable Final Terms (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price.

Automatic Early Redemption Price means the price per Share specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in this Condition 20.7.

Automatic Early Redemption Rate means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

Automatic Early Redemption Valuation Date means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to, in either case, the provisions of "Market Disruption" set out in Condition 20.1 above. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Automatic Early Redemption Valuation Date".

20.8 Additional Definitions

Unless otherwise specified in the applicable Final Terms:

Additional Disruption Event means any of Change of Law, Failure to Deliver, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

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

Averaging Date means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

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

relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of **Valuation Date** below.

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

Change of Law means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (x) it has become illegal to hold, acquire or dispose of any relevant Share or (y) it will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

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

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

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

Exchange Business Day means the relevant Exchange Business Day specified in the applicable Final Terms. If no Exchange Business Day is specified as applying in the applicable Final Terms, Exchange Business Day shall mean any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

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

Failure to Deliver means failure of the Issuer and/or any of its Affiliates to deliver, when due, the relevant Shares under the Notes, where such failure to deliver is due to illiquidity in the market for such Shares.

Hedging Disruption means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk

of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

Hedging Shares means the number of Shares that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

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

Increased Cost of Stock Borrow means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share that is greater than the Initial Stock Loan Rate.

Initial Stock Loan Rate means, in respect of a Share, the initial stock loan rate specified in relation to such Share in the applicable Final Terms.

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

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

Maximum Stock Loan Rate means, in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Final Terms.

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

Observation Period means the period specified as the Observation Period in the applicable Final Terms.

Related Exchange means in respect of Equity Linked Notes and in relation to a Share, each exchange or quotation system on which option contracts or futures contracts relating to such Share are traded, or each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or

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

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

Scheduled Trading Day means the relevant Scheduled Trading Day specified in the applicable Final Terms. If no Scheduled Trading Day is specified as applying in the applicable Final Terms, Scheduled Trading Day shall mean any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

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

Screen Page means the page specified in the applicable Final Terms, or any successor page or service thereto.

Settlement Price means, unless otherwise specified in the applicable Final Terms, in relation to each Cash Settled Note in respect of Equity Linked Notes, and as referred to in **Valuation Date** below or **Averaging Date** above, as the case may be:

- (a) in the case of Equity Linked Notes relating to a basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent in its sole and absolute discretion) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent shall decide, multiplied by the relevant multiplier, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

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

Shares and **Share** mean in the case of an issue of Notes relating to a basket of Shares, each share and, in the case of an issue of Notes relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly.

Share Company means, in the case of an issue of Notes relating to a single Share, the company that has issued such share.

Specified Maximum Days of Disruption means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

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

Valuation Date means the Coupon Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes are Equity Linked Notes relating to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or

- (b) where the Notes are Equity Linked Notes relating to a basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, and, in the case of a Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day,

and otherwise in accordance with the above provisions.

Valuation Time means the Relevant Time specified in the applicable Final Terms or, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share to be valued provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

21. ADDITIONAL PROVISIONS APPLICABLE TO INFLATION LINKED NOTES

This Condition 21 applies to Inflation Linked Notes only. The Technical Annex set out on pages 214 to 220 of this Base Prospectus contains provisions relating to the formula used to determine the pay-off under Inflation Linked Notes and the applicable Final Terms contains provisions applicable to the determination of the performance of the relevant inflation index as well as other relevant provisions and must be read in conjunction with this Condition 21 and with the Technical Annex for full information on any Inflation Linked Notes. In particular, the applicable Final Terms will identify the relevant index or indices, the relevant Screen Page, the various levels and other factors required to apply the formula.

21.1 Delay in Publication

If the Calculation Agent determines that, in relation to Notes relating to a single Index or a basket of Indices, a Delayed Index Level Event in respect of an Index has occurred with respect to any Determination Date, then the Relevant Level with respect to any Reference Month which is to be used in any calculation or determination to be made by the Calculation Agent with respect to such Determination Date (the **Substitute Index Level**) shall be determined by the Calculation Agent (subject to Condition 21.3(a) "Adjustments-Substitute Index Level" below), as follows:

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

Substitute Index Level = Base Level \times (Latest Level / Reference Level); or

(c) otherwise in accordance with any formula specified in the applicable Final Terms,

where:

Base Level means the level of the Index (whether definitive or provisional) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

Latest Level means the latest level of the Index (whether definitive or provisional) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated.

Reference Level means the level of the Index (whether definitive or provisional) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

The Issuer shall promptly give notice to the holders of the Notes in accordance with Condition 13 of any Substitute Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 21.1 will be the definitive level for that Reference Month.

21.2 Successor Index

If in relation to Notes relating to a single Index or a basket of Indices, the Calculation Agent determines that the level of an Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will not longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (**a Successor Index**) (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

- (a) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine a "Successor Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Index". If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "Successor Index";
- (c) If no Successor Index has been deemed under (i) above or if fewer than three responses are received under (ii) above by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for the relevant Payment Date, and such index will be deemed a "Successor Index"; or

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

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to holders of the Notes by the Issuer in accordance with Condition 13.

21.3 Adjustments

(a) Substitute Index Level

If the Calculation Agent determines a Substitute Index Level in accordance with Condition 21.1 "Delay in Publication" above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (I) the Substitute Index Level determined in accordance with Condition 21.1 "Delay in Publication" above and/or (II) the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13.

(b) Successor Index

If a Successor Index is determined in accordance with Condition 21.2 "Successor Index" above, the Calculation Agent may make any adjustment or adjustments (without limitation) to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13.

(c) Index Level Adjustment Correction

- (i) If, within thirty days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the holders of the Notes of any such adjustment and/or amount in accordance with Condition 13.
- (ii) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) make any adjustment to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the holders of the Notes of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 13.

(iii) **Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the final Redemption Amount, and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13.

(d) **Rebasing**

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the **Rebased Index**) will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (A) if Related Bond is specified as applicable in the applicable Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (B) if Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to the final Redemption Amount, interest payable under the Notes (if any) and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Calculation Agent may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Condition 13 at its fair economic value as determined by the Calculation Agent (unless otherwise provided in the applicable Final Terms) as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13.

(e) **Index Modification**

- (i) If, in relation to Notes relating to a single Index or a basket of Indices on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the applicable Final Terms, make any adjustments to the Index, any Relevant Level and/or any other relevant term of the Notes (including, without limitation, the final Redemption Amount and/or interest payable under the Notes (if any)), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Index, any Relevant Level and/or any other term of the Notes (including, without limitation, the final Redemption Amount and/or interest payable under the Notes (if any)), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.
- (ii) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or

determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of sub-paragraph (i) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (i) above.

(f) Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 13 at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13.

(g) Change in law

If the Calculation Agent determines that a Change in Law has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 13 at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Change in Law, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13.

(h) Additional Definitions

Change in Law means that, on or after the Issue Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of any change in the interpretation by any court, tribunal or regulatory authority), the Issuer determines that in its sole and absolute discretion that it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

Cut-Off Date means, in respect of a Determination Date, five Business Days prior to such Determination Date, unless otherwise stated in the applicable Final Terms.

Delayed Index Level Event means, in respect of any Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the **Relevant Level**) in respect of any Reference Month which is to be used in any calculation or determination to be made by the Calculation Agent in respect of such Determination Date, at any time on or prior to the Cut-Off Date.

Fallback Bond means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Germany, Italy or Spain, and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will

select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

Index or **Indices** means the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

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

Index Modification means the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

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

Rebased Index has the meaning given to it under Condition 21.3(d) "Rebasing" above.

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

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

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

Relevant Level has the meaning given to it in the definition of Delayed Index Level Event.

Scheduled Trading Day means the relevant Scheduled Trading Day specified in the applicable Final Terms. If no Scheduled Trading Day is specified as applying in the applicable Final Terms, Scheduled Trading Day shall mean any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading for their respective regular trading sessions.

Successor Index has the meaning given to it in under Condition 21.2 "Successor Index" above.

Substitute Index Level means, in respect of a Delayed Index Level Event, the index level determined by the Calculation Agent in accordance with Condition 21.3(a) "Substitute Index Level" above.

21.4 Knock-in Event and Knock-out Event

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

For the purposes of this Condition 21:

Knock-in Event means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant weighting is and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

Knock-in Level means (A) in the case of a single Index, the level of the Index specified and (B) in case of a basket of Indices, the level per Basket specified and for both (A) and (B) as such or otherwise determined in the applicable Final Terms.

Knock-in Determination Day means, in the case of a single Index and in the case of a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period.

Knock-in Determination Period means, in respect of a single Index or a basket of Indices the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

Knock-in Period Beginning Date means, in respect of a single Index or a basket of Indices the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

Knock-in Period Ending Date means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

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

Knock-out Event means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant weighting is, and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

Knock-out Level means, in the case of a single Index, the level of the Index specified and in the case of a basket of Indices, the level per basket specified as such or otherwise determined in the applicable Final Terms.

Knock-out Determination Day means, in respect of a single Index and in relation to a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period.

Knock-out Determination Period means, in respect of a single Index or a basket of Indices, the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

Knock-out Period Beginning Date means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

Knock-out Period Ending Date means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

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

Scheduled Trading Day means the relevant Scheduled Trading Day specified in the applicable Final Terms.

TECHNICAL ANNEX

1. PAY OFF FORMULAS COMMON TO EQUITY LINKED NOTES AND INDEX LINKED NOTES

This Part 1 of the Technical Annex applies to Equity Linked Notes and Index Linked Notes. For the purposes of this Part 1 of the Technical Annex, **Underlying** shall mean a Share or Shares in the case of Equity Linked Notes and an Index or Indices in the case of Index Linked Notes.

1.1 Autocall

(a) When **Autocall** is specified as applicable as a formula in the applicable Final Terms:

(i) if, on any Observation Date, the closing price of the Underlying is greater than or equal to the Autocall Trigger Level, the Notes will be automatically redeemed on the relevant Early Redemption Date at 100 per cent. of their nominal amount; or

(ii) if the Notes have not been redeemed early as provided in paragraph (a) above and,

(A) on the Final Observation Date, the closing price of the Underlying is greater than or equal to the Knock-in Level, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount; or

(B) on the Final Observation Date, the closing price of the Underlying is strictly lower than the Knock-In Level, the Notes will be redeemed on the Maturity Date:

I. In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Price} / \text{Initial Price})$$

II. In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} / \text{Initial Price}$$

Where:

Autocall Trigger Level means the percentage of the Initial Price specified as such in the applicable Final Terms.

Initial Price means the closing price of the Underlying on the Initial Observation Date.

Final Price means the closing price of the Underlying on the Final Observation Date

Knock-In Level means the percentage of the Initial Price specified as such in the applicable Final Terms.

(b) When **Guaranteed Coupon** is specified in the applicable Final Terms, interest will be payable on every Interest Payment Date up to and including the Maturity Date or the Early Redemption Date.

- (c) When **Conditional Coupon without Memory Effect** is specified in the applicable Final Terms, interest will only be payable on any Interest Payment Date if on the preceding Observation Date the closing price of the Underlying is greater than or equal to the Coupon Trigger Level.

Where **Coupon Trigger Level** means the percentage of the Initial Price specified as such in the applicable Final Terms.

- (d) When **Conditional Coupon with Memory Effect** is specified in the applicable Final Terms, interest will only be payable on any Interest Payment Date if on the preceding Observation Date the closing price of the Underlying is greater than or equal to the Coupon Trigger Level. However, when interest is not paid on any Interest Payment Date because the closing price of the Underlying is lower than the Coupon Trigger Level on the preceding Observation Date, such interest may become payable on a later Interest Payment Date if on the preceding Observation Date, the closing price of the Underlying is greater than or equal to the Coupon Trigger Level.

1.2 Callable Stability

Where **Callable Stability** is specified in the applicable Final Terms:

- (a) Interest will only be payable on the Notes on any Interest Payment Date if on the preceding Observation Date, the closing price of the Underlying is greater than or equal to the Coupon Trigger Level.
- (b) If, at any time during the Observation Period, the Underlying trades at a price which is lower than the Knock-In Level, the Notes will be redeemed early at an Early Redemption Amount equal to the Specified Denomination of the Notes multiplied by the percentage used to determine the Knock-In Level plus an amount for the interest accrued from and including the last Interest Payment Date to and including the Early Redemption Date following the Knock-In Event determined as follows:

$$\text{Specified Denomination} \times \text{Interest Rate} \times D/360$$

Where **D** means the number of calendar days from and including the last Interest Payment Date to and including the Early Redemption Date.

- (c) On any Interest Payment Date, the Issuer may, at its discretion, redeem the Notes early at an Early Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (1 + \text{Interest Rate}) \times D/360$$

1.3 Call

Where **Call** is specified in the applicable Final Terms, the Notes will be redeemed on the Maturity Date at a Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (1 + \text{Performance})$$

Where:

Performance means $\text{Max}(0; \text{Leverage} \times (\text{Final Price} - \text{Initial Price})/\text{Initial Price})$

Max means that the considered value is the highest value between zero and the value determined by the formula on the right side of the semi-colon.

Leverage means the value which multiplies (Final Price – Initial Price)/Initial Price specified as such in the applicable Final Terms.

1.4 Reverse Convertible

(a) Where **Reverse Convertible** is specified in the applicable Final Terms:

(i) If on the Final Observation Date, the closing price of the Underlying is greater than or equal to the Initial Price, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount; or

(ii) If on the Final Observation Date, the closing price of the Underlying is lower than the Initial Price, the Notes will be redeemed on the Maturity Date:

(A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Price} / \text{Initial Price})$$

(B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} / \text{Initial Price}$$

(b) Where **Reverse Convertible with European Barrier** is specified in the applicable Final Terms:

(i) If on the Final Observation Date, the closing price of the Underlying is greater than or equal to the Knock-In Level, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount; or

(ii) If on any Observation Date, including the Final Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed on the Maturity Date:

(A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Price} / \text{Initial Price})$$

(B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} / \text{Initial Price}$$

(c) Where **Reverse Convertible with American Barrier** is specified in the applicable Final Terms:

(i) If on the Final Observation Date, the closing price of the Underlying is greater than or equal to the Knock-In Level, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount; or

(ii) If on the Final Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed on the Maturity Date:

- (A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Price} / \text{Initial Price})$$
- (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} / \text{Initial Price}$$
- (iii) If on any Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed early:
 - (A) In the case of Index Linked Notes, at the Early Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Price} / \text{Initial Price})$$
 - (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} / \text{Initial Price}$$

1.5 Shark

- (a) Where **Shark with European Barrier** is specified in the applicable Final Terms:
 - (i) If on the Final Observation Date, the closing price of the Underlying is greater than or equal to the Knock-In Level, the Notes will be redeemed on the Maturity Date:
 - (A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (100\% + \text{Rebate})$$
 - (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} \times (100\% + \text{Rebate})$$
 - (ii) If on the Final Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed on the Maturity Date:
 - (A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (1 + \text{Max}(0; \text{Underlying Performance}))$$
 - (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} \times (1 + \text{Max}(0; \text{Underlying Performance}))$$

- (b) Where **Shark with American Barrier** is specified in the applicable Final Terms:
- (i) If on the Final Observation Date, the closing price of the Underlying is greater than or equal to the Knock-In Level, the Notes will be redeemed on the Maturity Date:
- (A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:
- $$\text{Specified Denomination} \times (100\% + \text{Rebate})$$
- (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:
- $$\text{Specified Denomination} \times (100\% + \text{Rebate})$$
- (ii) If on the Final Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed on the Maturity Date:
- (A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:
- $$\text{Specified Denomination} \times (1 + \text{Max}(0; \text{Underlying Performance}))$$
- (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:
- $$\text{Specified Denomination} \times (1 + \text{Max}(0; \text{Underlying Performance}))$$
- (iii) If on any Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed early:
- (A) In the case of Index Linked Notes, at the Early Redemption Amount determined in accordance with the following formula:
- $$\text{Specified Denomination} \times (1 + \text{Max}(0; \text{Underlying Performance}))$$
- (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:
- $$\text{Specified Denomination} \times (1 + \text{Max}(0; \text{Underlying Performance}))$$

Where

Rebate means the percentage specified as such in the applicable Final Terms.

Underlying Performance means $(\text{Final Price} - \text{Initial Price}) / \text{Initial Price}$

1.6 Bonus

(a) Where **Bonus with European Barrier** is specified in the applicable Final Terms:

(i) If on the Final Observation Date, the closing price of the Underlying is greater than or equal to the Knock-In Level, the Notes will be redeemed on the Maturity Date:

(A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (1 + \text{Max}(\text{Bonus}; \text{Min}(\text{Underlying Performance}; \text{Cap})))$$

(B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} \times (1 + \text{Max}(\text{Bonus}; \text{Min}(\text{Underlying Performance}; \text{Cap})))$$

(ii) If on the Final Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed on the Maturity Date:

(A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Price} / \text{Initial Price})$$

(B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} / \text{Initial Price}$$

(b) Where **Bonus with American Barrier** is specified in the applicable Final Terms:

(i) If on the Final Observation Date, the closing price of the Underlying is greater than or equal to the Knock-In Level, the Notes will be redeemed on the Maturity Date:

(A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (1 + \text{Max}(\text{Bonus}; \text{Min}(\text{Underlying Performance}; \text{Cap})))$$

(B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

$$\text{Specified Denomination} \times (1 + \text{Max}(\text{Bonus}; \text{Min}(\text{Underlying Performance}; \text{Cap})))$$

(ii) If on the Final Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed on the Maturity Date:

(A) In the case of Index Linked Notes, at the Final Redemption Amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Price} / \text{Initial Price})$$

- (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

Specified Denomination / Initial Price

- (iii) If on any Observation Date, the closing price of the Underlying is lower than the Knock-In Level, the Notes will be redeemed early:

- (A) In the case of Index Linked Notes, at the Early Redemption Amount determined in accordance with the following formula:

Specified Denomination \times (Final Price / Initial Price)

- (B) In the case of Equity Linked Notes, by delivery of a number of Shares determined in accordance with the following formula:

Specified Denomination / Initial Price

Where

Bonus means the percentage specified as such in the applicable Final Terms.

Cap means the percentage specified as such in the applicable Final Terms.

Underlying Performance means (Final Price – Initial Price) / Initial Price

1.7 Himalaya

Where **Himalaya** is specified in the applicable Final Terms, the Final Redemption Amount will be calculated in accordance with the following formula:

Specified Denomination \times [1 + Max (1/N \times \sum Frozen Perf (ti), Floor Level)]

Where

N means the maturity of the Notes (in number of years) specified as such in the applicable Final Terms.

Max means that the considered value is the highest value between the value determined by the formula on the left side of the semi-colon and the Floor Level.

Frozen Perf(ti) means the performance of the best performing Underlying for the year(i). The relevant Underlyings are specified as such in the applicable Final Terms. Each year, the best performing Underlying has its performance frozen at that level and its actual performance in the following years is disregarded.

(ti) means the relevant year for the calculation of the performance of the Underlying.

Floor Level means the value which defines the lower threshold for the calculation of the Underlying performance specified as such in the applicable Final Terms.

2. PAY OFF FORMULA FOR INFLATION LINKED NOTES

This Part 2 of the Technical Annex applies to Inflation Linked Notes.

At the end of each Interest Period, an Interest Amount will be determined as follows:

$$\text{Specified Denomination} \times (\text{Max}(\text{Floor Level}; \text{Min}(\text{Cap Level}; \text{Leverage} \times \text{Performance Inflation}))) \\ \times \text{Nb Days} / 360$$

Where

Nb Days means the number of days per Interest Period

Max means that the considered value is the highest value between the Floor Level and the value determined by the formula on the right side of the semi-colon.

Min means that the considered value is the lowest value between the Cap Level and the value determined by the formula on the right side of the semi-colon

Floor Level means the value which defines the lower threshold for the calculation of the Interest Amount specified as such in the applicable Final Terms.

Cap Level means the value which defines the upper threshold for the calculation of the specified as such in the applicable Final Terms.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.

DESCRIPTION OF THE ISSUER

Information on the Issuer is set out in the Issuer's *Document de Référence* filed with the *Autorité des marchés financiers* under n° D.12-0377 on 20 April 2012, incorporated herein by reference. (Please refer to the cross reference list on pages 40 and following).

Composition of the *conseil d'administration* (board of directors)

At the date of this Base Prospectus, the *conseil d'administration* is comprised of the following members:

Name, surname, professional address and age	Title	Duration of term of office
<p>MICHEL LUCAS</p> <p><i>Business address:</i></p> <p>Crédit Industriel et Commercial 6 avenue de Provence - 75009 Paris</p> <p><i>Born:</i> 4 May 1939</p>	<p><i>Président Directeur Général</i></p> <p>and</p> <p><i>Président de la Confédération Nationale du Crédit Mutuel, du Crédit Mutuel Centre Est Europe et de la Banque Fédérative du Crédit Mutuel</i></p>	Six years
<p>CAISSE CENTRALE DU CREDIT MUTUEL</p> <p>88-90 rue Cardinet 75847 Paris Cedex</p> <p>représentée par Jean-Luc Menet</p>	<p><i>Administrateur</i></p>	Two years
<p>DANIEL LEROYER</p> <p><i>Business address:</i></p> <p>Crédit Mutuel Maine-Anjou, Basse-Normandie 43 boulevard Volney - 53083 Laval Cedex 9</p> <p><i>Born:</i> April 15, 1951</p>	<p><i>Administrateur</i></p> <p>and</p> <p><i>Président du Crédit Mutuel Maine-Anjou, Basse-Normandie</i></p>	Two years
<p>MAURICE CORGINI</p> <p><i>Business address:</i></p> <p>Fédération du Crédit Mutuel Centre Est Europe 34 rue du Wacken - 67000 Strasbourg</p> <p><i>Born:</i> 27 September 1942</p>	<p><i>Administrateur</i></p> <p>and</p> <p><i>Administrateur de la Banque Fédérative du Crédit Mutuel</i></p>	Four years

Name, surname, professional address and age	Title	Duration of term of office
<p>JEAN-LOUIS GIRODOT</p> <p><i>Business address:</i> Crédit Mutuel Ile-de-France 18 rue de La Rochefoucault - 75439 Paris Cedex 9</p> <p><i>Born:</i> 10 February 1944</p>	<p><i>Administrateur</i></p> <p>and</p> <p><i>Président du Crédit Mutuel Ile-de-France</i></p>	<p>Four years</p>
<p>PHILIPPE VASSEUR</p> <p><i>Business address:</i> Crédit Mutuel Nord Europe 4 place Richebè - 59011 Lille Cedex</p> <p><i>Born:</i> 31 August 1943</p>	<p><i>Administrateur</i></p> <p>and</p> <p><i>Président du Crédit Mutuel Nord Europe</i></p>	<p>Four years</p>
<p>LA BANQUE FEDERATIVE DU CREDIT MUTUEL</p> <p>34 rue du Wacken - 67000 Strasbourg</p> <p><i>représentée par Jacques Humbert</i></p>	<p><i>Administrateur</i></p>	<p>Six years</p>
<p>CATHERINE ALLONAS BARTHE</p> <p><i>Business address:</i> 42 rue des Mathurins - 75008 Paris</p> <p><i>Born:</i> 18 January 1955</p>	<p><i>Administrateur</i></p> <p>and</p> <p><i>Directeur général ACM Vie SAM</i></p>	<p>Six years</p>
<p>Joseph ARENAS</p> <p><i>Business address:</i> Caisse Fédérale de Crédit Mutuel 34 rue du Wacken - 67000 STRASBOURG</p> <p><i>Born:</i> 15 September 1955</p>	<p><i>Administrateur</i></p> <p>and</p> <p><i>Responsable des activités institutionnelles et réglementaires du CM Centre Est Europe</i></p>	<p>One year</p>

Major Shareholders

As at 30 June 2012, Banque Fédérative du Crédit Mutuel (**BFCM**), a 93 per cent. subsidiary of the Caisse Fédérale de Crédit Mutuel, directly held 72.5 per cent. of the share capital of the Issuer and indirectly held a further 19.48 per cent. through its 100 percent. subsidiary, Ventadour Investissement.

Selected Financial Information of the Issuer

Results (in € millions)		
	31/12/2010	31/12/2011
Total Assets	242 036	233 283
Shareholders' Equity (parent company share)	9 568	9 507 (total including minority interest)
Minority Interest	311	Not provided
Net banking income	4 637	4 166
Operating income	1 370	807
Corporate income tax	(347)	(293)
Net income	1 144	579
Net income attributable to equity holders of the parent company	1 115	555

Key 2012 half yearly figures (in € millions)		
<i>N.B. These figures have been subject to a limited review only.</i>		
	30/06/2011	30/06/2012
Net banking income	2 420	2 228
Operating income	716	705
Corporate income tax	(217)	178
Net income	526	392
Net income attributable to minority interest	5	18
Net income attributable to equity holders of the parent company	521	374

TAXATION

A. EUROPE

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State or to certain entities established in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

FRANCE

The descriptions below are intended as a basic summary of certain tax consequences in relation to the ownership of the Notes under current French law by persons (i) who are not French residents and who do not hold their Notes through a French permanent establishment or other fixed place of business in France and (ii) who are not shareholders of the Issuer. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Notes which are not assimilated (assimilables for the purpose of French law) with Notes issued before 1 March 2010

Following the introduction of the French *loi de finances rectificative pour 2009 n°3* (n° 2009-1674 dated 30 December 2009 applicable as from 1 March 2010) (the **Law**), payments of interest and other revenues made by the Issuer with respect to Notes issued on or after 1 March 2010 (other than Notes (as described below) which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 50 per cent. withholding tax (the Finance Bill for 2013 which is currently being discussed before French Parliament considers increasing this rate to 75%) will be applicable by virtue of Article 125 A III of the French *Code général des impôts*, subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 30 per cent. or 55 per cent. (the Finance Bill for 2013 which is currently being discussed before

French Parliament considers increasing this rate to 75%) subject to the more favourable provisions of an applicable double tax treaty.

Notwithstanding the foregoing, the Law provides that neither the 50 per cent. withholding tax nor the non-deductibility provided under Article 238 A of the French *Code général des impôts* will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-ANX-000364-20120912 and BOI-ANX-000366-20120912, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (a) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (b) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (c) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Notes which are consolidated (assimilables for the purpose of French law) and form a single series with Notes issued before 1 March 2010

Payments of interest and other revenues with respect to Notes issued from 1 March 2010 and which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts*, will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20120912, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the aforementioned *Bulletin Officiel des Finances Publiques-Impôts*.

In addition, interest and other revenues paid by the Issuer on Notes issued from 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 will not be subject to the deductibility exclusion of Article 238 A of the French *Code général des impôts* and will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Transfer tax and other taxes

The following may be relevant in connection with Notes which may be settled or redeemed by way of physical delivery of certain French listed shares (or certain assimilated securities).

The French financial transaction tax provided under Article 235 ter ZD of the French Tax Code is applicable, subject to certain exceptions, at a rate of 0.2% to any acquisitions of equity securities (*titres de capital*) or certain assimilated equity securities, provided that they are listed on a regulated market and that they are issued by an issuer incorporated in France which has a market capitalisation in excess of 1 billion Euros on 1 December of the year preceding the acquisition (or on 1 January 2012 with respect to acquisitions realised in 2012). If the financial transaction tax applies to a transaction, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1% to the sale of French shares, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement.

LUXEMBOURG

The following summary is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

(a) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the Savings Directive and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 35 per cent.

(b) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the

management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

SWITZERLAND

The following statements and discussions of certain Swiss tax considerations relevant to the purchase, ownership and disposition of Notes are of a general nature only and do not address every potential tax consequence of an investment in Notes under Swiss law. This summary is based on treaties, laws, regulations, rulings and decisions currently in effect, all of which are subject to change. Potential investors will therefore need to consult their own tax advisers to determine the special tax consequences of the receipt, ownership and sale or other disposition of Notes. In particular, the precise tax treatment of a holder of Notes needs to be determined for each issue with reference to the full Conditions of the Notes specified in the applicable Final Terms under the law and practice at the relevant time.

Swiss Withholding Tax

Payments on the Notes are currently not subject to Swiss federal withholding tax provided that the respective Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

On 24 August 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Note to an individual resident in Switzerland. If this legislation or similar legislation were enacted and a payment in respect of a Note were to be made or collected through Switzerland and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer, nor any paying agent nor any other person would pursuant to the Terms and Conditions of the Notes be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax.

Income Taxation

Notes held as Private Assets by a Swiss resident Holder

(a) Structured Notes

If a Note classifies as a structured note, its income taxation depends on whether the bond and the derivative financial instrument(s) embedded therein are recorded separately from each other and whether the Note classifies as a structured note with or without a predominant one-time interest payment:

Non-transparent derivative financial instruments: If the embedded bond is not recorded separately from the embedded derivative financial instrument(s), the Note classifies as non-transparent structured note and any return over the initial investment classifies as a taxable interest payment. Non-transparent derivative financial instruments generally include a predominant one-time interest payment and are taxed in accordance with the principles set forth below under "—Transparent derivative financial instruments with a predominant one-time interest payment".

Transparent derivative financial instruments without a predominant one-time interest payment: If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment (see below "—Transparent derivative financial instruments with a predominant one-time interest payment"), then any periodic interest payment and the one-time interest payment is taxed when paid to the holder of the Note. A gain, including interest accrued, a loss, respectively, realised on the sale of a Note is a tax-free private capital gain, a non-tax-

deductible private capital loss, respectively (see below "—Capital Gains, Notes held as Private Assets by a Swiss resident Holder"). The same applies if the Note is redeemed except that interest accrued is taxed when paid.

Transparent derivative financial instruments with a predominant one-time interest payment: If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments, then any periodic interest payments and on the sale or redemption of the Note, the difference between the value of the embedded bond at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted, in each case, into Swiss Francs at the exchange rate prevailing at the time of redemption or sale, issuance or purchase, respectively (modified differential taxation method) constitutes taxable income. A value decrease on the embedded bond respectively realised on the sale or redemption of the Note may be offset against any gains (including periodic interest payments) realised within the same taxation period from all instruments with a predominant one-time interest payment. Any residual return realised on the embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss, respectively (see below "—Capital Gains, Notes held as Private Assets by a Swiss resident Holder").

(b) *Bonds*

Bonds without a predominant one-time interest payment: If a Note classifies as a pure bond without a predominant one-time interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment), Swiss resident private investors will be taxed on the periodic and any one-time interest payments, converted into Swiss Francs at the exchange rate prevailing at the time of payment. A gain, including interest accrued, a loss, respectively, realised on the sale of a Note is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively (see below "—Capital Gains, Notes held as Private Assets by a Swiss resident Holder").

Bonds with a predominant one-time interest payment: If a Note classifies as a pure bond with a predominant one-time interest payment (the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), Swiss resident private investors will be taxed on any periodic interest payments and on any gains, including capital and foreign exchange gains, realised on the Notes (differential taxation method).

(c) *Pure Derivative Financial Notes*

Periodic and one-time dividend equalisation payments realised on a Note which classifies as a pure derivative financial instrument (such as pure call and put options, including low exercise price options with a maturity not exceeding one year, pure futures, static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) and which is held as part of their private assets constitute taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "—Capital Gains, Notes held as Private Assets by a Swiss resident Holder").

(d) *Low Exercise Price Options*

According to the current practice of the Swiss Federal Tax Administration low exercise price options are given if the underlying of an option has been pre-financed by at least 50 per cent. at the time of issuance.

For low exercise price options with a maturity exceeding one year the interest component of the low exercise price option (i.e. issue discount) constitutes taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "—Capital Gains, Notes held as Private Assets by a Swiss resident Holder").

(e) *Fund-like Notes*

A Note classified as a fund-like instrument will be considered a pass-through instrument for Swiss tax purposes if dividend and interest income (less attributable costs) from, and capital gains and losses (less costs attributable) realised on, the underlying investments, are reported and distributed separately. Under such conditions, an individual holding a fund-like Note as part of private assets only receives taxable income (which he or she must report annually) over such portion of the distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investment) as derive from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain and any respective loss on the underlying investments is a non-tax-deductible private capital loss. Any gain realised within a taxation period on the sale of a fund-like instrument (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised a non-tax-deductible capital loss (see below "—Capital Gains, Notes held as Private Assets by a Swiss resident Holder").

Notes held as Assets of a Swiss Business

Corporate entities and individuals who hold Notes as part of a trade or business in Switzerland, in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such Notes (irrespective of their classification) in their income statement for the respective taxation period and will be taxed on any net taxable earnings for such period.

The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, *inter alia*, frequent dealing and leveraged investments in securities.

Capital Gains Taxation

Notes held as Private Assets by a Swiss resident Holder

A gain, a loss, respectively, realized by an individual resident in Switzerland for tax purposes upon the sale or other disposal of a Note held as part of his or her private assets is a tax-free private capital gain, a non-tax deductible capital loss, respectively, unless such individual is classified, for income tax purposes, as "professional securities dealers" for reasons of, *inter alia*, frequent dealing and leveraged investments in securities. If an individual is classified as "professional securities dealer" he or she will in accordance with the principles set forth above under "—Notes held as Assets of a Swiss Business". Concerning the bifurcation of a tax-exempt capital gains component, non-tax deductible capital loss component, respectively, from taxable income components of a Note see the bifurcation principles set forth above with regard to the different instruments under "—Income Taxation, Notes held as Private Assets by a Swiss resident Holder".

Notes held as Assets of a Swiss Business

Capital gains realized on Notes held as Assets of a Swiss Business are taxed in accordance with the taxation principles set forth above under "—Income Taxation, Notes held as Swiss Business Assets".

Stamp Taxes

Swiss Federal Issue Stamp Tax

The Notes are not subject to Swiss federal stamp tax on the issuance of securities provided that the respective Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

Swiss Federal Securities Turnover Tax

Dealings in Notes which classify as pure derivative financial instruments (such as pure call and put options, including low exercise price options with a maturity not exceeding twelve months, pure futures with a maximal pre-financing of 25 per cent., static certificates replicating an index or a basket of at least five shares and with a fixed maturity on an annual redemption right) are not subject to the Swiss federal securities turnover tax.

Dealings in Notes which have been issued by an issuer outside of Switzerland and which classify as structured notes, share-like instruments (including Low Exercise Price Warrants on shares with a maturity exceeding twelve months) or fund-like instruments are subject to Swiss federal securities turnover tax of 0.3 per cent. on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Dealing in bonds and structured notes with a maturity not exceeding one year are exempt from Swiss federal turnover tax.

The delivery of an underlying taxable security at exercise or redemption to the holder of the Note is subject to Swiss federal securities turnover tax of 0.3 per cent. in case a security issued by an issuer outside Switzerland is delivered and of 0.15 per cent. in case a security issued by a domestic issuer is delivered, however, in each case, only if a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Gift, Inheritance and Estate Taxes

Subject to an applicable tax treaty in an international scenario, transfers of Notes may be subject to cantonal and/or communal inheritance tax, estate tax or gift tax if the deceased person has had his or her last domicile in Switzerland, the donor is resident in Switzerland, respectively, or in the case of a foreign deceased or resident person the transfer involves an unincorporated business in Switzerland and Notes are held as part of such business. No such taxes exist at the federal level. Rates depend upon the existing relationship (i.e. the relationship between the deceased and the heirs, or between the donor and the donee) and the size of the inheritance or gift. Interspousal gifts and gifts to descendants and inheritances collected by the surviving spouse and descendants are frequently exempt or taxed at very low rates (up to 6 per cent.). Gifts and inheritances received from unrelated persons attract rates ranging from 20 per cent. to 40 per cent. The taxable base is usually the market value of the property transferred.

Net Worth and Capital Taxes

A holder of Notes who is an individual resident in Switzerland for tax purposes or is a non-Swiss resident holding Notes as part of a Swiss business operation or a Swiss permanent establishment is required to report Notes as part of private wealth or as part of Swiss business assets, as the case may be, and is subject to annual cantonal and/or communal private wealth tax on any net taxable wealth (including the Notes), in the case of non-Swiss resident individual holding Notes as part of a Swiss business operation or a Swiss permanent establishment to the extent the aggregate taxable wealth is allocable to Switzerland. Incorporated holders of Notes are subject to cantonal and communal capital tax on net taxable equity, in the case of non-Swiss resident person holding Notes as part of a Swiss permanent establishment, to the extent the aggregate taxable equity is allocable to Switzerland. No net worth and capital taxes exist at the federal level.

Non-Swiss resident Holders

A holder of a Note who is not resident in Switzerland for tax purposes and who during the taxation year has not engaged in trade or business carried on through a business operation or permanent establishment in Switzerland, will neither be subject to income tax and capital gains tax nor net wealth or capital tax in Switzerland.

EU Savings Tax

The Agreement between the European Community and the Confederation of Switzerland dated as of 26 October 2004 provides for measures equivalent to those laid down in the EU Savings Tax Directive and requires a Swiss paying agent to deduct EU savings tax on an interest payment to an individual resident in an EU member state. The tax is withheld at a rate of 35 per cent., with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding. The individual may be entitled to a tax credit or refund of the withholding, provided that he or she is the beneficial owner of the interest payments and certain other conditions are met.

BELGIUM

Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the Notes. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisers regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive. In particular, it does not cover the situation of non-residents nor the tax treatment of securities which may be received upon repurchase or redemption of the Notes.

For the purpose of the Belgian tax consequences described herein, it is assumed that the Notes issued under the Programme will qualify as claim rights for Belgian tax law purposes.

This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Base Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.

Withholding tax

Any payment of interest (as defined by Belgian tax law) on the Notes made through a paying agent in Belgium will in principle be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 21 per cent. A gain arising on the repurchase or redemption of the Notes by the Issuer is taxable as interest.

If the repurchase or redemption by the Issuer is in full or in part settled by means of a delivery of securities or other assets, interest includes any positive difference between the market value of those assets on the date of their payment or attribution and the initial issue price of the Notes. In the event interest is paid in the form of delivery of securities, the market value of those securities will be deemed at least equal to their value (prior to the date of the payment or attribution) as determined in the most recent publication by the Belgian Government of the value of securities listed on a Belgian stock exchange (such publication is issued monthly, on the 20th of each month) or on a similar foreign stock exchange.

In addition, if the Notes qualify as fixed income securities in the meaning of Article 2, §1, 8° Belgian Income Tax Code (ITC), in case of a realisation of the Notes between two interest payment dates, an income equal to the pro rata of accrued interest corresponding to the detention period is taxable as interest. For the purposes of the following paragraphs, such gains and pro rata of accrued interest are therefore referred to as interest.

Belgian resident individuals

For individuals subject to Belgian personal income tax (i.e., residents of Belgium who are subject to Belgian personal income tax) and who are not holding the Notes as a professional investment, all interest payments will be subject to a 21 per cent. Belgian withholding tax if the payment is made through a financial institution or other intermediary established in Belgium. In that case the investor does not need to report the interest income in its annual tax return, provided that it allows the Belgian intermediary to levy, in addition to the withholding tax, an "additional tax on investment income" at the rate of 4 per cent. If the Investor elects not to declare such interest income, the withholding tax and the "additional tax on investment income" are the final tax for the Investor, resulting in an aggregate tax rate of 25 per cent. If the Investor elects to declare the interest income, the withholding tax and the "additional tax on investment income" are credited against the Investor's final tax liability, and any excess can be refunded. In that case, the tax rate applicable to the interest income will depend on the Investor's annual income:

- if the taxpayer's Qualifying Investment Income (defined as i) taxable interest income, other than interest income on Government bonds issued and subscribed in the period between 24 November 2011 and 2 December 2011, and ii) taxable dividend income, other than liquidation bonuses) for the relevant tax year does not exceed the amount for income year 2013, the interest income generated by the Notes will be subject to personal income tax at a rate of 21 per cent. (without application of communal surcharges, according to statements made by the Minister of Finance, but this is currently not supported by the text of the law) or at the progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower.
- if the taxpayer's Qualifying Investment Income for the relevant tax year exceeds the amount for income year 2013, the interest income generated by the Notes will be subject to personal income tax at a rate of 21 per cent. (without application of communal surcharges, according to statements made by the Minister of Finance, but this is currently not supported by the text of the law), and to the "additional tax on investment income" at the rate of 4 per cent., it being understood that such "additional tax on investment income" is only due on the tranche of Qualifying Investment Income that exceeds such amount. To determine whether part or all of the interest income generated by the Notes is included in the first tranche of such amount, the taxable investment income which is exempt from the "additional tax on investment income" (such as i) taxable interest income from regulated saving deposits, ii) interest income on Government bonds issued and subscribed in the period between 24 November 2011 and 2 December 2011 and iii) dividends taxed at a rate of 25 per cent.) is counted first, except that liquidation bonuses are fully disregarded.

The taxpayer can avoid the levy by the Belgian intermediary of the 4 per cent. "additional tax on investment income" if the taxpayer allows the Belgian intermediary to communicate the taxpayer's identity and the amount of the taxpayer's interest income to a central contact point operated by the National Bank of Belgium, which in turn will automatically communicate this information to the Belgian income tax authorities if the total annual amount of Qualifying Investment Income communicated by the Belgian intermediary and other financial intermediaries with respect to that taxpayer exceeds the aforementioned threshold for income year 2013. The Belgian income tax authorities may also at any time request information on any investment income communicated to the central contact point with respect to a given taxpayer. If the taxpayer elects for the communication of the investment income to the central contact point, the 21 per cent. withholding tax does not discharge the taxpayer from the declaration of the interest income generated by the Notes in the taxpayer's personal income tax return. The taxpayer will need to declare this interest income, and the personal income tax rules applicable to such interest income will be identical to the rules set out above (ie personal income tax rate of 21 per cent. or 25 per cent., again without application of communal surcharges, according to statements made by the Minister of Finance, or progressive personal income tax rate taking into account the taxpayer's other declared income).

If the payment is not made through a financial intermediary established in Belgium and withholding tax is not withheld, the investors must report the interest income in their annual tax return. The personal income tax

rules applicable to such interest income will be identical to the rules set out above (ie personal income tax rate of 21 per cent. or 25 per cent., again without application of communal surcharges, according to statements made by the Minister of Finance, or progressive personal income tax rate taking into account the taxpayer's other declared income) plus additional local taxes for interest received outside of the European Economic Area.

Belgian companies

Interest paid through an intermediary established in Belgium to a Belgian company subject to corporate income tax will generally be subject to Belgian withholding tax (the current applicable withholding tax rate is 21 per cent.). However, an exemption may apply provided that certain formalities are complied with. For zero or capitalisation bonds, the above exemption will not apply, unless the Belgian company and the Issuer are associated companies within the meaning of Article 105, 6° RD/ITC. If Belgian withholding tax is applicable, Belgian companies are, in principle, entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

Belgian resident non-profit legal entities

For Belgian legal entities subject to the non-profit legal entities income tax, all interest payments (as defined by the Belgian Income Tax Code) will be subject to withholding tax, currently at a rate of 21 per cent.

If this interest is paid through a Belgian intermediary, such intermediary will have to levy withholding tax, currently at the rate of 21 per cent. If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

Income tax

For Belgian tax purposes, interest includes any interest paid on the Notes as well as any amount paid in excess of the initial price upon redemption or purchase by the Issuer.

Belgian resident individuals

For Belgian resident individuals who hold the Notes as a private investment, the personal income tax rules applicable to such interest income will be identical to the rules set out above (ie personal income tax rate of 21 per cent. or 25 per cent., again without application of local surcharges, according to statements made by the Minister of Finance, or progressive personal income tax rate taking into account the taxpayer's other declared income).

Belgian resident individuals are not liable to income tax on capital gains realised upon the disposal of the Notes, provided that the Notes have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the Notes held as a non-professional investment are in principle not tax deductible.

Belgian resident companies

For any Belgian company subject to Belgian corporate income tax, all interest and any gain on a sale of the Notes will form part of that company's taxable profit. The current normal corporate income tax rate in Belgium is 33.99 per cent.

Capital losses realised upon the disposal of the Notes are in principle tax deductible.

Belgian resident non-profit legal entities

For Belgian resident non-profit legal entities (i.e., residents of Belgium who are subject to Belgian non-profit legal entities tax), the 21 per cent. withholding tax levied on the interest will constitute the final tax burden in respect of such income.

Belgian non-profit legal entities are not liable to income tax on capital gains realised upon the disposal of the Notes to a party other than the Issuer.

Capital losses realised upon disposal of the Notes are in principle not tax deductible.

Tax on stock exchange transactions

The sale and acquisition of the Notes will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.09 per cent. on each sale and acquisition separately, with a maximum of €650 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are no longer subject to the tax on stock exchange transactions.

FEDERAL REPUBLIC OF GERMANY

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

Tax Residents

The section "Tax Residents" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on ongoing payments and capital gains

Ongoing payments received by an individual holder of the Notes will be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). If the individual holder is subject to church tax, a church tax surcharge may also be withheld.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal,

redemption, repayment or assignment and the cost of acquisition) derived by an individual holder provided the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Notes are issued in a currency other than Euro any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the redemption of interest coupons or interest claims if the Notes have been disposed of separately.

In case of a physical settlement of certain Notes which grant the Issuer or the holder the right to opt for a physical delivery of underlying securities instead of a money payment, the acquisition costs of the Notes may be regarded as proceeds from the disposal, redemption, repayment or assignment of the Notes and hence as acquisition costs of the underlying securities received by the individual holder upon physical settlement; any consideration received by the holder of the Notes in addition to the underlying securities may be subject to withholding tax. To the extent the provision mentioned above is applicable, generally no withholding tax has to be withheld by the Disbursing Agent upon physical settlement as such exchange of the Notes into the underlying securities does not result in a taxable gain for the individual holder. However, withholding tax may then apply to any gain resulting from the disposal, redemption, repayment or assignment of the securities received in exchange for the Notes. In this case, the gain will be the difference between the proceeds from the disposal, redemption, repayment or assignment of the underlying securities and the acquisition costs of the Notes (after deduction of expenses related directly to the disposal, if any).

To the extent the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition or if the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes (**Accrued Interest**, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Savings Directive (e.g. Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual holder of the Notes via the Disbursing Agent (e.g. losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual holder in the custodial account with the Disbursing Agent.

Individual holders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) for all investment income received in a given year. Upon the individual holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

Taxation of current income and capital gains

The personal income tax liability of an individual holder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as

in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process or if the withholding tax on disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), the individual holder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). Further, an individual holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Losses incurred with respect to the Notes can only be off-set with investment income of the individual holder of the Note realised in the same or the following years. Any losses realised upon the disposal of shares in stock corporations received in exchange for the Notes can only be offset against capital gains deriving from the disposal of shares.

Where Notes form part of a trade or business or the income from the Notes qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the holder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. Generally the deductibility of capital losses from the Notes which qualify for tax purposes as contracts for difference is limited. These losses may only be applied against profits from other contracts for difference derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and applied against profits from contracts for difference in subsequent years.

In the case of physically settled Notes special limitations may apply to losses from the disposal of an underlying which is a share in a corporation.

Non-residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

Savings Directive

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the Savings Directive into German law. These provisions apply from 1 July 2005.

THE NETHERLANDS

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (a) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (b) persons to whom the beneficial interest in the our common shares is attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch income tax act 2001 (*Wet inkomstenbelasting 2001*);
- (c) investment institutions (*fiscale beleggingsinstellingen*); and
- (d) pension funds, exempt investment institutions (*vrijgestelde fiscale beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Netherlands Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Netherlands Corporate and Individual Income Tax

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52 per cent.) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (a) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4 per cent. of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4 per cent. deemed return on income from savings and investments will be taxed at a rate of 30 per cent.

Netherlands Gift and Inheritance Tax

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be a made at the time the condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Netherlands Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Netherlands Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

B. OUTSIDE EUROPE

HONG-KONG

The statements below regarding taxation are based on the law and practice of Hong Kong at the date of this Base Prospectus and are subject to any subsequent changes in law or practice (which could be made on a retrospective basis). The following statements do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and may not apply equally to all persons. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of their ownership of the Notes.

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong, as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Notes is derived from Hong Kong and is received by or accrues to a company, carrying on a trade, profession or business in Hong Kong; or
- (b) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (c) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession

or business in Hong Kong and the sum has a Hong Kong source. Similarly, such sums in respect of Registered Notes received by or accrued to either the aforementioned person and/or a financial institution will be subject to Hong Kong profits tax if such sums have a Hong Kong source.

The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided either:

- (a) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable, it is payable by the Issuer on issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided that either:

- (a) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the value of the consideration. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

Estate Duty

No estate duty will be payable in respect of Bearer Notes and Registered Notes in Hong Kong.

PEOPLES REPUBLIC OF CHINA (PRC)

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are residents of mainland China for PRC tax purposes. These beneficial owners are referred to as PRC holders in this "PRC Taxation" section. If you are considering the purchase of the Notes, you should consult your own tax advisors with regard to the application of PRC tax laws to your particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

If the holder is a PRC entity or individual who, or which, is resident of mainland China (**PRC resident**) for PRC tax purposes, pursuant to the PRC Enterprise Income Tax Law and the PRC Individual Income Tax Law and their implementation rules, an income tax shall be levied on both capital gains and payment of interest gained by a PRC resident in respect of the Notes. The current rates of such income tax are 20 per cent (for PRC resident individuals) and 25 per cent (for any enterprise incorporated in the PRC).

Moreover, the PRC Enterprise Tax Law provides that, if an enterprise incorporated outside the PRC has its "de facto management organisation" located within the PRC, the enterprise may be recognised as a "PRC resident enterprise" and thus may be subject to an enterprise income tax at the rate of 25 per cent on its worldwide income. Under the implementation rules for the PRC Enterprise Tax Law, "de facto management bodies" is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. In April 2009, the PRC tax authority promulgated a circular to clarify the criteria for determining whether the "de facto management bodies" are located within the PRC for enterprises incorporated overseas with controlling shareholders being PRC enterprises. If any holder of the Notes is determined as a PRC resident enterprise because its "de facto management bodies" are located in the territory of the PRC, the interest and capital gains paid to such holders may be subject to an enterprise income tax at a rate of 25 per cent.

SINGAPORE

The statements below are general in nature and do not purport to comprehensively address the Singapore tax treatment for all kinds of Notes or all holders of the Notes.

The statements are based on certain aspects of current tax laws in Singapore, announced budget measures that may not have been enacted and administrative guidelines issued by the relevant authorities applicable as at the date of this Base Prospectus and are subject to the enactment of such budget measures and any changes in such laws, announced budget measures or administrative guidelines, or the interpretation of those laws, budget measures or guidelines, occurring after such date, which changes could be made on a retroactive basis.

Investors and prospective investors in the Notes should consult their own tax advisers regarding the tax consequences to them of the acquisition, holding or disposal of any Notes.

Interest and Other Payments

Notes issued by Crédit Industriel et Commercial through its Singapore Branch

Under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (**ITA**), interest, commission, fee or other payments made on Notes issued by Crédit Industriel et Commercial through its Singapore Branch are deemed to constitute Singapore-sourced income.

Subject to the following paragraphs, such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17 per cent. with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from debt securities is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), prepayment fees, redemption premiums and break costs, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

However, under the Qualifying Debt Securities Scheme, if the dealer(s) for more than half of the principal amount of any particular tranche of the Notes are (a) Financial Sector Incentive (Bond Market) Compan(ies) for the purposes of the ITA or (b) financial institution(s) in Singapore where their staff based in Singapore have a leading and substantial role in the distribution of the Notes, that tranche of Notes (**Relevant Notes**) issued between the date of this Base Prospectus to 31 December 2013 will constitute "qualifying debt securities" (or **QDS**) for the purposes of the ITA, to which the following shall apply:

- (a) subject to certain conditions having been fulfilled (including the lodging of a Return on Debt Securities within a specified period to the Comptroller of Income Tax and MAS, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium, and break cost (collectively, Qualifying Income) from the Relevant Notes, derived by a holder who is not resident in Singapore and who does not have any permanent establishment in Singapore is exempt from Singapore tax. Non-residents who carry on any operation through permanent establishments in Singapore also have the benefit of this exemption, provided that the Notes are not acquired using funds from Singapore operations. Funds from Singapore operations means, in relation to a person, the funds and profits of that person's operations through a permanent establishment in Singapore;
- (b) subject to certain conditions having been fulfilled (including the lodgment of a Return on Debt Securities within a specified period to the Comptroller and MAS), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent.;
- (c) subject to:
 - (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (ii) the lodging of a Return on Debt Securities within a specified period to the Comptroller and MAS,

Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the Relevant Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of any Relevant Notes, the Relevant Notes are issued to fewer than four persons and 50 per cent. or more of the principal amount of the Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Relevant Notes would not qualify as "qualifying debt securities"; and
- (b) even though Relevant Notes are "qualifying debt securities", if at any time during the tenure of the Relevant Notes, 50 per cent. or more of the principal amount of the Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer, Qualifying Income derived from the Relevant Notes held by (1) any related party of the Relevant Issuer, or (2) any other person where the funds used by such person to acquire the Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer, shall not be eligible for the tax exemption or concessionary tax rate described above.

For this purpose:

- (i) "**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- (ii) "**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
- (iii) "**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
- (iv) "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Qualifying Income derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The Qualifying Debt Securities Plus Scheme (QDS+ Scheme)

Under the QDS Plus Scheme, subject to certain conditions and qualifications, income tax exemption is granted on Qualifying Income derived by any investor (including Singaporean investors) from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2013;
- (b) have an original maturity date of not less than 10 years;
- (c) cannot be redeemed, converted, called or exchanged within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

Treatment of holders of the Financial Sector Incentive – Standard Tier incentive

The 10% concessionary tax rate for QDS as described above will not apply to companies that hold the Financial Sector Incentive – Standard Tier.

Such companies will enjoy a 12% tax rate instead.

Budget 2011 – Withholding tax exemption for payments by banks to non-residents

The Singapore Government had proposed in the 2011 budget that payments falling within Section 12(6) of the ITA and made by (amongst other persons) licensed banks in Singapore to persons who are non-Singapore tax-residents (other than permanent establishments in Singapore):

- (a) between 1 April 2011 and 31 March 2021; or
- (b) on a contract which takes effect between 1 April 2011 and 31 March 2021,

will be exempt from tax, provided the payments are made for the purposes of the licensed bank's business in Singapore and the payments do not arise from a transaction to which the general anti-avoidance provisions in Section 33 of the ITA applies.

This proposal has yet to be fully enacted into law.

Notes issued by Crédit Industriel et Commercial but not through its Singapore Branch

Where Notes are issued by Crédit Industriel et Commercial but not through its Singapore Branch, whether income, commissions, fees and other payments on such Notes would be Singapore-source income or foreign-source income would depend on the specific facts, including the circumstances of the taxpayer.

For example, where the income is derived by a licensed bank carrying on business in Singapore, the income is likely to be regarded as Singapore-source trade or business income of the bank, but the position may be different in the case of, for example, an individual. Noteholders are accordingly advised to consult their own tax advisers regarding the question of whether income, commissions, fees and other payments derived by them from Notes issued by Crédit Industriel et Commercial but not through its Singapore Branch are Singapore-source or foreign-source for Singapore tax purposes.

Where income is regarded as foreign-sourced for tax purposes, it would be taxable in Singapore only if it is received (or deemed received) in Singapore. Individuals are, however, exempt from income tax on all foreign-source income received (or deemed received) in Singapore, other than income derived through a partnership in Singapore.

In addition, where income on any Notes issued by Crédit Industriel et Commercial but not through its Singapore Branch are QDS, the concessionary rate of tax applicable to companies and bodies of persons (as defined in the ITA) in Singapore on Qualifying Income from QDS (10% or 12%) would be applicable, subject to substantially the same requirements, terms and conditions as discussed above.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Taxpayers who adopt FRS 39 for tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 treatment for Singapore income tax purposes".

Adoption of FRS 39 treatment for Singapore income tax purposes

On 30 December 2005, the Inland Revenue Authority of Singapore issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 - Financial instruments: Recognition and Measurement" (the **FRS 39 Circular**). The Income Tax Act has since been amended to give legislative effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

TAIWAN

The following is a summary of the principal Taiwanese tax consequences for holders of the Notes who are Taiwanese residents for Taiwan income tax or estate and gift tax purposes.

Prospective purchasers of the Notes should consult their tax advisers about the tax consequences of owning the Notes in Taiwan and any other tax jurisdiction to which they are subject.

Interest and Capital Gain

For Taiwanese income tax purposes, a Taiwanese resident can be (i) an individual who has a domicile and resides in Taiwan permanently, or has no domicile but stays in Taiwan for at least 183 days in total in a calendar year or (ii) a company that was incorporated under the Taiwanese Company Act.

The Taiwanese individual-resident holders will not be subject to Taiwanese income tax on the interest or capital gain generated from the Notes, because Taiwanese income tax is levied only on Taiwanese -sourced income, and said interest and capital gain are not Taiwanese -sourced income. However, they must include such interest and capital gain as part of their basic income in determining whether alternative minimum tax (AMT) is payable. The amount of AMT is 20 per cent. of the basic income that exceeds NT\$6 million (approx. US\$180,000). If the total amount of non-Taiwanese -sourced income received in a calendar year is below NT\$1 million (approx. US\$30,000), such income need not be included as part of basic income. If the amount of AMT is greater than the amount of income tax payable under the Income Tax Act, AMT will be payable on the difference.

The Taiwanese corporate-resident holders will be subject to Taiwanese income tax on the interest or capital gain generated from the Notes because Taiwanese companies are subject to income tax on their worldwide income. As a result, such interest and capital gain need NOT be included as part of their basic income in determining whether AMT is payable.

Estate Tax and Gift Tax

For Taiwanese estate and gift tax purposes, a Taiwanese individual resident means the decedent or the donor who meets any of the following criteria: (1) maintaining a domicile in Taiwan within two years prior to the event of death or making of gift; or (2) residing inside Taiwan without maintaining a domicile, and having stayed in Taiwan more than 365 days within two years immediately prior to the event of death or making of gift (not applicable to an individual employed by the Taiwanese government with a specific period of stay).

Estate tax is payable on the worldwide property of a deceased Taiwanese individual resident, and gift tax is payable on the worldwide property donated by a Taiwanese individual resident. Both estate tax and gift tax are levied at a flat rate of 10 per cent.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a **foreign financial institution**, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "Recalcitrant Holder"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the date (the **grandfathering date**) that is six months after the date on which final U.S. Treasury regulations define the term foreign passthru payments, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

If the Issuer and other FFIs in its group do not become Participating FFIs, Reporting FIs, or are not treated as exempt from or in deemed compliance with FATCA, the Issuer and other FFIs in its group may be subject to FATCA Withholding on payments received from U.S. sources and Participating FFIs. Any such withholding imposed on the Issuer or other FFIs in its group may have a material adverse effect on the group's business, prospects, results of operations and financial position.

If the Issuer becomes a Participating FFI under FATCA, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person

would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 18 January 2013, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Belgium

This Base Prospectus may be passported into Belgium by notification to the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financier/Autoriteit voor Financiële Diensten en Markten*) (**FSMA**) in accordance with Article 38 of the Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time implementing the Prospectus Directive (the **Prospectus Law**). The FSMA will not review or approve this Base Prospectus.

With regard to Notes having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Directive), this Base Prospectus has not been, and it is not expected that it will be, submitted for approval to the FSMA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action that would be characterised as or result in a public offering of these Notes in Belgium in accordance with the Prospectus Law.

Public Offer Selling Restrictions under the Prospectus Directive

Please note that, in relation to EEA States, additional selling restrictions may apply in respect of any specific EEA State, including those set out below in relation to the United Kingdom, France and Italy.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Public Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression **Prospectus Directive** means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in the Relevant Member State; and
- the expression 2010 PD Amending Directive means Directive 2010/73/EC.

France

Each of the Dealers and the Issuer has represented and agreed that:

(a) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public (*offre au public de titres financiers*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers (AMF)*, on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(b) **Private placement in France:**

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the applicable Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

Hong Kong

Each Dealer has represented and agreed that and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

India

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell in India, by means of any document, any Notes in circumstances which would constitute an offering to the public within the meaning of the Companies Act, 1956; and that any document by means of which it offers the Notes will not be generally distributed or circulated in India and will be for the sole consideration and exclusive use of the persons permitted to acquire Notes under Indian law to whom it is issued. This Base Prospectus is strictly personal to the recipient and neither this Base Prospectus nor the Issue is calculated to result, directly or indirectly, in the Notes becoming available for subscription or purchase by persons other than those receiving the invitation or offer.

The Notes have not been approved by the Securities and Exchange Board of India, Reserve Bank of India or any other regulatory authority of India, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. This Base Prospectus has not been and will not be registered as a prospectus or a statement in lieu of prospectus with the Registrar of Companies in India.

Prospective investors must seek legal advice as to whether they are entitled to subscribe to the Notes and must comply with all relevant Indian laws in this respect. Each investor is deemed to have acknowledged and agreed that it is eligible to invest in the Notes under applicable laws and regulations and that it is not prohibited under any law or regulation in India from acquiring, owning or selling the Notes.

Indonesia

The Notes have not been offered or sold and will not be offered or sold in Indonesia or to Indonesian nationals, corporations or to Indonesian citizens, wherever they are domiciled or to Indonesian residents, including by way of invitation, offering or advertisement, and neither the Base Prospectus nor any other Offering materials relating to the Notes have been distributed, or will be distributed, in Indonesia or to Indonesian nationals, corporations or residents in a manner which constitutes a public offering of the Notes under the laws or regulations of the Republic of Indonesia.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to or for the benefit of others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Malaysia

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that the offer of Notes in Malaysia can only be made to investors specified in Schedules 2, 3 and 5 of the Securities Commission Act 1993 (i.e. sophisticated investors, e.g. unit trust schemes, licensed dealers, closed-end funds, fund managers, licensed financial institutions, licensed offshore banks, licensed insurance companies, corporations with total net assets exceeding ten million Malaysian ringgit or its equivalent in foreign currencies, statutory bodies and pension funds).

Peoples Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the **PRC**) as part of the initial distribution of the Notes. This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Issuer does not represent that this Base Prospectus or any Final Terms may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this document in the PRC. Accordingly, the Notes are not being offered or sold within the PRC by means of this Base Prospectus, any Final Terms or any other document. Neither this Base Prospectus or any Final Terms, nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and the relevant implementing CONSOB regulations of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34 ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (ii) below must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b)(ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the **Securities and Futures Act**). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person who is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;

- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the Securities and Futures Act.

Switzerland

The Dealers have agreed, and each further dealer appointed under the Programme will be required to agree, that it will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any regulations made by the Swiss National Bank, in relation to the offer, sale, delivery or transfer of the Notes or the distribution of any offering material in respect of such Notes.

Taiwan

The Notes may not be offered, sold or delivered to any person for reoffering, resale or redelivery, in any such case directly or indirectly, in Taiwan or to any resident of Taiwan in contravention of any applicable laws.

Thailand

This Base Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority of the Kingdom of Thailand. Accordingly, the securities may not be offered or sold, or this Base Prospectus distributed, directly or indirectly, to any person in Thailand except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the Thai government and regulatory authorities in effect at the relevant time.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (**Regulation S**) or pursuant to an exemption from the registration

requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S. Furthermore, each Dealer has represented and agreed that neither it, its affiliates, nor any persons acting on any of their behalf, has engaged or will engage in any "directed selling efforts" (as defined in Rule 902(c) of Regulation S) with respect to the Notes and each of the foregoing persons has complied and will comply with the offering restrictions requirement of Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

- (a) In addition in respect of Notes where TEFRA D is specified in the applicable Final Terms:
- (i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the **D Rules**), each Dealer (i) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
 - (ii) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
 - (iii) if it is a United States person, each Dealer represents that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and
 - (iv) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subclauses (i), (ii) and (iii) above on such affiliate's behalf.

Terms used in this subclause (a) have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder, including the D Rules.

In respect of Notes where TEFRA C is specified in the applicable Final Terms, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver,

directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes.

Each issuance of Equity Linked Notes or Index Linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

1. Authorisation

No authorisation procedures are required of the Issuer by French law for the establishment or update of the Programme.

To the extent that Notes issued by the Issuer under the Programme may constitute obligations under French law, the issue of such Notes has been authorised by a resolution of the Issuer's *Conseil d'Administration* (Board of Directors) dated 23 February 2012 who has delegated to each of Messrs Philippe VIDAL and Christian KLEIN, the power to decide issues of obligations and assimilated securities for a maximum aggregate nominal amount of EUR 2,000,000,000 within a period of one year ending 31 March 2013. On 28 February 2013, the Issuer's *Conseil d'Administration* (Board of Directors) will hold a meeting during which it will renew, for another one-year period, the delegation of power referred to in this paragraph.

2. Clearing

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

3. Approval, Listing and admission to trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Directive on markets in financial instruments (Directive 2004/39/EC).

4. Documents available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available free of charge for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in Luxembourg and Paris in each case at the address given at the end of this Base Prospectus, on any week days (except Saturdays, Sundays and public holidays):

- (a) the *Statuts* of the Issuer;
- (b) the Issuer's latest audited consolidated audited financial statements;
- (c) the Issuer's latest unaudited consolidated interim financial statements;

- (d) the Programme Agreement, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons and the Deed of Covenant;
- (e) a copy of this Base Prospectus;
- (f) any future Base Prospectus, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (g) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

5. Pricing

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

6. Yield

In relation to any Tranche of Fixed Rate Notes, an indication of yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

7. Significant or material adverse change

There has been no significant change in the financial or trading position of the Issuer or the **Group** (being the Issuer and its consolidated subsidiaries taken as a whole), since 30 September 2012 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.

8. Litigation

The Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings including any such proceedings which are pending or threatened of which the Issuer is aware in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

9. Auditors

The auditors of the Issuer are Ernst & Young et Autres and PricewaterhouseCoopers Audit, members of the *Compagnie Nationale des Commissaires aux Comptes*. They have audited the consolidated financial statements of the Issuer for the years ended 31 December 2010 and 31 December 2011.

10. Post-issuance information

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

11. Conflicts of interest

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

To the knowledge of the Issuer, (1) the duties owed by the members of the *Conseil d'Administration* (Board of Directors) do not give rise to any potential conflicts of interest with such members' private interests or other duties and (2) it complies with its country's of incorporation corporate governance regime.

12. Change of control

To the knowledge of the Issuer, there are no arrangements the operation of which may at a subsequent date result in a change in control of the Issuer.

13. Material contracts

The Issuer has not entered into contracts outside the ordinary course of the Issuer's business, which could result in the Issuer or any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Notes in respect of the Notes being issued.

Issuer

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Issuing Agent, Principal Paying Agent and Listing Agent

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