

Fifth Supplement dated 10 October 2014

to the Note, Warrant and Certificate Programme Base Prospectus dated 5 June 2014



BNP Paribas Arbitrage Issuance B.V.

(incorporated in The Netherlands)

(as Issuer)

BNP Paribas

(incorporated in France)

(as Issuer and Guarantor)

BNP Paribas Fortis Funding

(incorporated in Luxembourg)

(as Issuer)

BNP Paribas Fortis SA/NV

(incorporated in Belgium)

(as Guarantor)

BGL BNP Paribas

(incorporated in Luxembourg)

(as Issuer)

Note, Warrant and Certificate Programme

This fifth supplement (the "**Fifth Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 5 June 2014 (the "**Base Prospectus**"), the first supplement to the Base Prospectus dated 11 July 2014 (the "**First Supplement**"), the second supplement to the Base Prospectus dated 7 August 2014 (the "**Second Supplement**"), the third supplement to the Base Prospectus dated 5 September 2014 (the "**Third Supplement**") and the fourth supplement to the Base Prospectus dated 22 September 2014 (the "**Fourth Supplement**" and, together with the First Supplement, the Second Supplement and the Third Supplement, the "**Previous Supplements**"), in each case, in relation to the Note, Warrant and Certificate Programme (the "**Programme**") of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**"), BNP Paribas ("**BNPP**"), BNP Paribas Fortis Funding ("**BP2F**"), BNP Paribas Fortis SA/NV ("**BNPPF**") and BGL BNP Paribas ("**BGL**").

The Base Prospectus and the Previous Supplements together constitute a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU) to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area. The *Autorité des Marchés Financiers* (the "**AMF**") granted visa no. 14-276 on 5 June 2014 in respect of the Base Prospectus, visa no. 14-391 on 11 July 2014 in respect of the First Supplement, visa no. 14-457 on 7 August 2014 in respect of the Second Supplement, visa no. 14-485 on 5 September 2014 in respect of the Third Supplement and visa no. 14-510 on 22 September 2014 in respect of the Fourth Supplement. Application has been made to the AMF for approval of this Fifth Supplement in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive in France.

BNPP (in respect of itself and BNPP B.V.), BNPP B.V. (in respect of itself), BP2F (in respect of itself), BNPPF (in respect of itself and BP2F) and BGL (in respect of itself) accept responsibility for the information contained in this Fifth Supplement save that BNPP, BNPP B.V., BP2F and BNPPF accept no responsibility for the BGL Interim Financial Statements. To the best of the knowledge of BNPP, BNPP B.V., BP2F, BNPPF and BGL (who have taken all reasonable care to ensure that such is the case), the information contained herein is, subject as provided in the preceding sentence, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus, as amended by the Previous Supplements, shall have the same meanings when used in this Fifth Supplement.

To the extent that there is any inconsistency between (i) any statement in this Fifth Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, as amended by the Previous Supplements, the statement referred to in (i) above will prevail.

References in this Fifth Supplement to paragraphs of the Base Prospectus are to the Base Prospectus as amended by the Previous Supplements. References in this Fifth Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus without taking into account any amendments made in the Previous Supplements.

Copies of this Fifth Supplement may be obtained free of charge at the specified offices of BNP Paribas Securities Services, Luxembourg Branch and BNP Paribas Arbitrage S.N.C. and will be available on the website of BNP Paribas (<https://rates-globalmarkets.bnpparibas.com/gm/Public/LegalDocs.aspx>) and on the website of the AMF (www.amf-france.org).

This Fifth Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive and pursuant to Article 212-25 of the AMF's *Règlement Général*, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus, as amended by the Previous Supplements.

This Fifth Supplement has been prepared for the purposes of:

- (A) updating the description of the redemption provisions on page 6 of the Base Prospectus;
- (B) incorporating by reference BGL's interim financial statements (in English) for the six-month period ended 30 June 2014;
- (C) amending the "Programme Summary in relation to this Base Prospectus" and the "Pro Forma Issue Specific Summary of the Programme in relation to this Base Prospectus";
- (D) amending the "Risk Factors";
- (E) amending the "Form of Final Terms for Notes";
- (F) amending the "Terms and Conditions of the Notes";
- (G) amending "Annex 1 – Additional Terms and Conditions for Payouts";
- (H) amending the "Index of Defined Terms in respect of Notes";
- (I) amending the "Description of BNPP Indices";
- (J) amending the "Form of the Notes" section;

- (K) amending the "Book-Entry Clearance Systems and Book-Entry Systems" section;
- (L) amending the "General Information" section; and
- (M) amending the "Programme Summary in relation to this Base Prospectus (in French)" and the "Pro Forma Issue Specific Summary of the Programme in relation to this Base Prospectus (in French)".

The amendments referred to in (C), (D), (E), (F), (H) and (M) above have been made in order to allow for Notes to be issued under the Programme which are denominated in one currency but with payments (in respect of interest and/or principal) to be made in a different currency (the "**Dual Currency Amendments**"), to allow for Notes to be listed on the MOT Market (the "**Italian Listed Note Amendments**") and to allow for Notes to be issued under the Programme in uncertificated and dematerialised form into Monte Titoli (the "**Italian Dematerialised Note Amendments**"). The amendments referred to in (A) above have been made to update terminology as a result of the Italian Dematerialised Note Amendments. The amendments referred to in (I) above have been made in order to remove an existing index and to add new indices to the "Description of BNPP Indices" section of the Base Prospectus. The amendments referred to in (G) above have been made to amend the definition of "Capitalised Exercise Price" in Annex 1 (Additional Terms and Conditions for Payouts). The amendments referred to in (J), (K) and (L) above have been made to reflect the Italian Dematerialised Note Amendments. In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Securities to the public, investors who, before this Fifth Supplement is published, have already agreed to purchase or subscribe for Securities issued under the Programme which are affected by the amendments made in this Fifth Supplement, have the right, exercisable before the end of the period of three working days beginning with the working day after the date of publication of this Fifth Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 15 October 2014.

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AMENDMENTS TO PAGE 6 OF THE BASE PROSPECTUS

The first sentence of the paragraph beginning "Notes and Certificates shall be redeemed" on page 6 of the Base Prospectus is amended by the deletion of:

- (a) the words "Cash Settled Securities" and their replacement with the words "Cash Settled Certificates or Cash Settled Warrants"; and
- (b) the words "Physically Settled Securities" and their replacement with the words "Physically Settled Certificates, Physically Settled Warrants".

**AMENDMENTS TO THE PROGRAMME SUMMARY IN RELATION TO THE BASE
PROSPECTUS AND PRO FORMA ISSUE SPECIFIC SUMMARY OF THE PROGRAMME IN
RELATION TO THE BASE PROSPECTUS**

1. The "Programme Summary in relation to this Base Prospectus" on pages 16 to 62 of the Base Prospectus is amended as follows:

(a) In Element C.1, the following new paragraph is inserted at the end thereof:

"Notes may be denominated in one currency (the "**Specified Currency**") with amounts payable in respect of interest and/or principal payable in another currency (the "**Settlement Currency**"), such Notes being "**Dual Currency Notes**"."

(b) In Element C.8., the first paragraph under the section entitled "**Governing Law**" is deleted and replaced with the following:

"In the case of Notes:

The Note Agency Agreement (as amended, supplemented and/or restated from time to time), the Deed of Covenant (as amended, supplemented and/or restated from time to time), the Guarantees in respect of the Notes, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Note Agency Agreement (as amended, supplemented and/or restated from time to time), the Deed of Covenant (as amended, supplemented and/or restated from time to time), the Guarantees, the Notes (except as aforesaid), the Receipts and the Coupons are governed by and shall be construed in accordance with English Law. "

(c) In Element C.9, the following new paragraph is inserted at the end of the section entitled "**Redemption**":

"Dual Currency Notes

In the case of Dual Currency Notes, any amount calculated to be payable in respect of interest (if any) and any amount calculated to be payable on redemption of the Notes, will be converted into the Settlement Currency at the Specified Exchange Rate or the Settlement Currency Exchange Rate specified in the applicable Final Terms."

(d) In Element C.18, the section "**Final Redemption - Notes**" is amended as follows:

(i) by the deletion of the text "Cash Settled Notes" in the first sentence of sub-paragraph (a) and its replacement with "Cash Settled Securities";

(ii) by the deletion of the text "Physically Settled Notes" in the first sentence of sub-paragraph (b) and its replacement with "Physically Settled Securities"; and

(iii) by the insertion of the following new paragraph is inserted at the end thereof:

"Dual Currency Notes

In the case of Dual Currency Redemption Notes, any amount calculated to be payable on redemption of the Notes will be converted into the Settlement Currency at the Specified Exchange Rate or the Settlement Currency Exchange Rate specified in the applicable Final Terms."

- (e) In Element D.3, the following new paragraph is inserted immediately after the first paragraph:

"There are specific risks applicable to Dual Currency Notes, including, without limitation, exposure to movements in currency exchange rates which may result in significant fluctuations in the value of the Notes, that payment of principal and/or interest, may occur at a different time or in a different currency than expected, that investors will not benefit from favourable changes in exchange rates during the term of the Dual Currency Notes where a pre-determined rate of exchange is applicable, that the market price of such Notes may be volatile, and that Holders may, in circumstances where it is not possible to make payments of principal and/or interest in the Settlement Currency, receive no interest and they may lose all or a substantial portion of their principal."

2. The "Pro Forma Issue Specific Summary of the Programme in relation to this Base Prospectus" on pages 63 to 113 of the Base Prospectus is amended as follows:

- (a) In Element C.2., square brackets are put around the text beside "Currency" and the following new paragraph is inserted at the end thereof:

"[The Notes are denominated in [*specify currency*] (the "**Specified Currency**"), and amounts payable on the Notes in respect of [interest] [and] [principal] are payable in [*specify currency*] (the "**Settlement Currency**").]";

- (b) In Element C.8., the first paragraph under the section entitled "**Governing Law**" is deleted and replaced with the following:

"[*Insert in the case of Notes:*

The Note Agency Agreement (as amended, supplemented and/or restated from time to time), the Deed of Covenant (as amended, supplemented and/or restated from time to time), the Guarantees in respect of the Notes, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Note Agency Agreement (as amended, supplemented and/or restated from time to time), the Deed of Covenant (as amended, supplemented and/or restated from time to time), the Guarantees, the Notes (except as aforesaid), the Receipts and the Coupons are governed by and shall be construed in accordance with English Law.]"

- (c) In Element C.9., the following new paragraph is inserted immediately above the heading "**Redemption**":

"[*Insert in the case of Dual Currency Interest Notes*

Any amount calculated to be payable in respect of interest will be converted into the Settlement Currency at [*specify fixed exchange rate or exchange rate (including any rates of exchange pursuant to which the relevant rate of exchange is derived), including sources (if any) by which such exchange rate is determined and time/date when such exchange rates will be determined.*]

The above provisions are subject to adjustment as provided in the conditions of the Notes to take into account events in relation to the Specified Currency. This may lead to delays in the payment of interest, or such payments being made in a different currency than expected. In such circumstances, Noteholders may also be required to provide certain information to the Issuer (including, *inter alios*, specifying an account into which they can receive the relevant currency), and payments by the Issuer may be delayed or the Issuer may be discharged from

its payment obligations in respect of the Notes, if Noteholders fail to provide the requested information within the prescribed time period.];

- (d) In Element C.9., the following new paragraph is inserted immediately above the heading "**Representative of Holders**":

"[Insert in the case of Dual Currency Redemption Notes

Any amount calculated to be payable on redemption of the Notes will be converted into the Settlement Currency at [specify fixed exchange rate or exchange rate (including any rates of exchange pursuant to which the relevant rate of exchange is derived), including sources (if any) by which such exchange rate is determined and time/date when such exchange rate will be determined.]

The above provisions are subject to adjustment as provided in the conditions of the Notes to take into account events in relation to the Specified Currency. This may lead to delays in the payment of principal, or such payments being made in a different currency than expected. In such circumstances, Noteholders may also be required to provide certain information to the Issuer (including, *inter alios*, specifying an account into which they can receive the relevant currency), and payments by the Issuer may be delayed or the Issuer may be discharged from its payment obligations in respect of the Notes, if Noteholders fail to provide the requested information within the prescribed time period.];

- (e) In Element C.18., the following new paragraph is inserted at the end thereof:

"[Insert in the case of Dual Currency Redemption Notes

Any amount calculated to be payable on redemption of the Notes will be converted into the Settlement Currency at [specify fixed exchange rate or exchange rate (including any rates of exchange pursuant to which the relevant rate of exchange is derived), including sources (if any) by which such exchange rate is determined and time/date when such exchange rate will be determined.]

The above provisions are subject to adjustment as provided in the conditions of the Notes to take into account events in relation to the Specified Currency. This may lead to delays in the payment of principal, or such payments being made in a different currency than expected. In such circumstances, Noteholders may also be required to provide certain information to the Issuer (including, *inter alios*, specifying an account into which they can receive the relevant currency), and payments by the Issuer may be delayed or the Issuer may be discharged from its payment obligations in respect of the Notes, if Noteholders fail to provide the requested information within the prescribed time period.];

- (f) In Element D.3, the following new paragraph is inserted immediately after the first paragraph:

"[insert in the case of Dual Currency Notes:

There are specific risks associated with Dual Currency Notes, including, without limitation, exposure to movements in currency exchange rates which may result in significant fluctuations in the value of the Notes, that payments of [interest] [and]/[or] [of] [principal], may occur at a different time or in a different currency than expected, [that investors will not benefit from favourable changes in exchange rates during the term of the Dual Currency Notes], that the market price of the Notes may be volatile and that Holders may, in circumstances where it is not possible to make payments of [interest] [and]/[or] [of]

[principal] in the Settlement Currency, [receive no interest] [and may] lose all or a substantial portion of their principal.]; and

- (g) In Element E.3, the following new text is added at the end immediately after the text "their nominal amount":

"[which will be payable in [insert Settlement Currency] calculated by reference to [specify exchange rate (including any rates of exchange pursuant to which the relevant rate of exchange is derived), including sources (if any) by which such exchange rate is determined and time/date when such exchange rate will be determined.]]"

AMENDMENTS TO THE RISK FACTORS

The "Risk Factors" section of the Base Prospectus is amended as follows:

- (a) the risk factor entitled "*Certain factors Affecting the Value and Trading Price of Securities*" on pages 133 to 134 is amended by the deletion of the text "(d) in the case of Cash Settled Securities," in the second paragraph thereof and the substitution of the following therefor:

"(d), in the case of Cash Settled Warrants or Cash Settled Certificates,"

- (b) the risk factor entitled "*Termination of Securities in the Event of Illegality or Impracticability*" on page 140 is amended as follows by the insertion of the words "provided that, if the Securities are Italian Listed Notes, the amount payable to each Holder shall be the Early Redemption Amount".

- (c) the risk factor entitled "*Certain Additional Considerations Associated with Rolling Futures Contract Securities*" on pages 146 to 148 is amended as follows:

(i) by the insertion of the words "provided that, if the Securities are Italian Listed Notes, the amount payable to each Holder in respect of the Security being redeemed shall be the Early Redemption Amount" immediately prior to the words "all as determined by the Calculation Agent" in the second sentence of sub-paragraph (i)(b)(A).

(ii) by the insertion of the words "provided that if the Securities are Italian Listed Notes, the Calculation Agent shall calculate the Early Redemption Amount" in the first sentence of sub-paragraph (i)(b)(B) immediately prior to the words "(the "**Calculated Contract Adjustment Amount**)".

- (d) the risk factor entitled "*Option to Vary Settlement*" on pages 178 to 179 is deleted and the following substituted therefor:

"If so indicated in the Final Terms, the Issuer may, in its sole and absolute discretion, elect to vary the settlement of the Securities, by (i) in the case of cash settled securities, delivering or procuring delivery of the Entitlement instead of making payment of the Final Redemption Amount or the Cash Settlement Amount, as applicable, to the relevant Holders or (ii) in the case of physical delivery securities, making payment of the Final Redemption Amount or the Cash Settlement Amount, as applicable, to the relevant Holders instead of delivering or procuring delivery of the Entitlement."

- (e) the following new risk factors are inserted immediately above the heading "**11. Certain Additional Risk Factors Associated with Warrants**":

Dual Currency Notes

The Issuers may issue Notes with principal and/or interest payable in a currency which may be different from the currency in which the Notes are denominated ("**Dual Currency Notes**"). In addition to the risk factors that may apply to Notes and to Notes linked to an Underlying Reference in general, potential investors should be aware that in relation to Dual Currency Notes:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal and interest (if applicable) may occur at a different time or in a different currency than expected;

- (iv) in certain circumstances, Noteholders may need to specify additional information to receive a relevant currency (including an account in which they can receive amounts in the relevant currency) and payments of the relevant currency by the Issuer may be delayed, or in certain circumstances, the Issuer may be discharged from its payment obligations in respect of the Notes in the event that the Noteholders fail to specify such account within a prescribed period;
 - (v) they may lose all or a substantial portion of their principal;
 - (vi) there may be movements in currency exchange rates which may result in significant fluctuations that may not correlate with changes in interest rates, currencies or related factors; and
 - (vii) the exchange rate used to calculate amounts payable in the settlement currency may be fixed prior to, on or after the Issue Date meaning that investors will not benefit from favourable changes in exchange rates during the term of the Dual Currency Notes"; and
- (f) the following new risk factor is inserted immediately after the section entitled "**Certain Additional Risk Factors Associated with Warrants**":

"12. Certain Additional Risk Factors Associated with Italian Dematerialised Securities and Italian Dematerialised Notes

No physical document of title issued in respect of the Italian Dematerialised Securities or Italian Dematerialised Notes

Italian Dematerialised Securities and Italian Dematerialised Notes issued under the Programme will be in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions, and in accordance with CONSOB and Bank of Italy Joint Regulation dated 22 February 2008, as amended and integrated by subsequent implementing provisions. In no circumstance would physical documents of title be issued in respect of the Italian Dematerialised Securities or Italian Dematerialised Notes. While the Italian Dematerialised Securities and Italian Dematerialised Notes are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli S.p.A. ("**Monte Titoli**") and the authorised financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Italian Dematerialised Securities and Italian Dematerialised Notes are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the relevant Issuer or Guarantor (if any)."

DOCUMENTS INCORPORATED BY REFERENCE

BGL's unaudited interim consolidated financial statement (in English) for the six month period ended 30 June 2014 (including the review thereon issued by PricewaterhouseCoopers, société coopérative) has been filed with the AMF on 23 September 2014 for the purposes of the Prospectus Directive and, by virtue of this Fifth Supplement, incorporated in and forms part of, the Base Prospectus, as amended by the Previous Supplements.

The section "DOCUMENTS INCORPORATED BY REFERENCE" in the Base Prospectus, as amended by the Previous Supplements, is updated accordingly as follows:

- (a) the paragraph (v) (which was added to the Base Prospectus by virtue of the Third Supplement) and is deleted and replaced with the following:

"(v) the unaudited interim consolidated financial statements of BGL for the six-month period ended 30 June 2014 (in French) (the "**BGL Interim Financial Statements (in French)**") and the unaudited interim financial information of BGL for the six-month period ended 30 June 2014 (in English) (including, the review report thereon issued by PricewaterhouseCoopers, société coopérative) (the "**BGL Interim Financial Statements (in English)**") and together with the BGL Interim Financial Statements (in French), the "**BGL Interim Financial Statements**"),";

- (b) the cross-reference table relating to the BGL Interim Financial Statements (which was added to the Base Prospectus by virtue of the Third Supplement) is deleted and replaced with the following:

<i>BGL Interim Financial Statements</i>	
Report ("Rapport d'audit")	Page 10 of the BGL Interim Financial Statement (in French) and page 10 of the BGL Interim Financial Statements (in English).
Consolidated Profit and Loss Account	Page 11 of the BGL Interim Financial Statements (in French) and page 11 of the BGL Interim Financial Statements (in English).
Statement of Consolidated Net Income and Changes in Assets and Liabilities Recognised Directly in Consolidated Equity	Page 12 of the BGL Interim Financial Statements (in French) and page 12 of the BGL Interim Financial Statements (in English).
Consolidated Balance Sheet	Page 13 of the BGL Interim Financial Statements (in French) and page 13 of the BGL Interim Financial Statements (in English).
Statement of Changes in the Consolidated Shareholders Equity from 1 January 2013 to 30 June 2014	Pages 14 to 15 of the BGL Interim Financial Statements (in French) and pages 14 to 15 of the BGL Interim Financial Statements (in English).
Consolidated Cash Flow Statement	Page 16 of the BGL Interim Financial Statements (in French) and page 16 of the BGL Interim Financial Statements (in English).

Notes to the Consolidated Financial Statements	Pages 17 to 66 of the BGL Interim Financial Statements (in French) and pages 17 to 71 of the BGL Interim Financial Statements (in English).
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AMENDMENTS TO THE FORM OF FINAL TERMS

In relation to the amendment to Form of Final Terms for Notes set out in this section: (i) text which, by virtue of this Fifth Supplement is added to the Form of Final Terms for Notes is shown underlined and (ii) text which, by virtue of the Fifth Supplement is deleted from the Form of Final Terms for Notes is shown with a line drawn through the middle of the relevant deleted text.

The Form of Final Terms for Notes on pages 202 to 259 of the Base Prospectus is amended as set out below:

(a) Paragraph 4 of Part A- Contractual Terms is amended as follows:

4.	<u>(i)</u> Specified Currency:	<input type="checkbox"/>
	<u>(ii)</u> Settlement Currency	<input type="checkbox"/>
	<u>Specified Exchange Rate:</u>	<u>[specify set exchange rate]/[Not Applicable]</u>
		<u>(N.B. Specified Exchange Rate should be completed if the exchange rate is set up-front).</u>
	<u>Settlement Currency Exchange Rate:</u>	<u>[Not Applicable]/[the exchange rate at [specify time] expressed as the amount of [specify currency] for which one [specify currency unit] may be exchanged by reference to [specify source] (or any successor [page] thereto, as determined by the Calculation Agent)]/[the exchange rate obtained by multiplying (i) [specify first exchange rate] and (ii) [specify second exchange rate], with [specify first exchange rate] expressed as the amount of [specify currency] for which one [specify currency] may be exchanged determined by the Calculation Agent by reference to [specify source] (or any successor [page] thereto, as determined by the Calculation Agent) at [specify time] and [specify second exchange rate] expressed as the amount of [specify currency] for which one [specify currency] may be exchanged determined by the Calculation Agent by reference to [specify source] (or any successor [page] thereto, as determined by the Calculation Agent) at [specify time]]</u>
	<u>Settlement Currency Exchange Rate Observation Date:</u>	<input type="checkbox"/> <u>Business Days (Settlement Currency Exchange Rate Provisions not required if the Specified Currency and the Settlement Currency are the same).</u>
	<u>Reference Jurisdiction:</u>	<u>[specify]</u>

(b) Paragraph 6 of Part A- Contractual Terms is amended as follows:

6. 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)] which will be payable in the Settlement Currency at the Settlement Currency equivalent of such amount determined by reference to the Initial FX Rate.

Where:

"Initial FX Rate" means [specify] [the exchange rate at [specify time] on the [[●] Business Day prior to the Issue Date], expressed as the amount of [specify currency] for which one [specify currency] may be exchanged determined by the Calculation Agent by reference to [specify source] (or any successor [page] thereto, as determined by the Calculation Agent), provided that if such source is not available, any such rate of exchange may be determined by the Calculation Agent [by reference to such sources as it considers in its sole discretion to be appropriate] and acting in good faith and in a commercially reasonable manner/[the exchange rate obtained by multiplying (i) [specify first exchange rate] and (ii) [specify second exchange rate], with [specify first exchange rate] expressed as the amount of [specify currency] for which one [specify currency] may be exchanged determined by the Calculation Agent by reference to [specify source] (or any successor [page] thereto, as determined by the Calculation Agent) at [specify date/time] and [specify second exchange rate] expressed as the amount of [specify currency] for which one [specify currency] may be exchanged determined by the Calculation Agent by reference to [specify source] (or any successor [page] thereto, as determined by the Calculation Agent) at [specify date/time] provided that if any such source is not available, any such rate of exchange may be determined by the Calculation Agent [by reference to such sources as it considers in its sole discretion to be appropriate] and acting in good faith and in a commercially reasonable manner]

(c) Paragraph 11 of Part A- Contractual Terms is amended as follows:

11. Form of Notes:

[Bearer/Registered/Italian Dematerialised Notes]

(d) Paragraph 12 of Part A- Contractual Terms is amended as follows:

12. Interest Basis: per cent. Fixed Rate [LIBOR/EURIBOR] +/- per cent. Floating Rate Fixed Rate and Floating Rate Zero Coupon Index Linked Interest Share Linked Interest Inflation Linked Interest Commodity Linked Interest Fund Linked Interest ETI Linked Interest Currency Linked Interest Hybrid Linked Interest Underlying Interest Rate Linked Interest and Dual Currency Interest [If the Notes are Dual Currency Interest Notes, another Interest Basis must always be specified.]

Debt Linked Interest
(further particulars specified below)

Non-interest bearing

(e) Paragraph 14 of Part A- Contractual Terms is amended as follows:

14. Redemption/Payment Basis: Redemption at par [specify] per cent. of nominal amount Index Linked Redemption Share Linked Redemption Inflation Linked Redemption Commodity Linked Redemption Fund Linked Redemption Credit Linked Redemption ETI Linked Redemption Foreign Exchange (FX) Rate Linked Redemption Hybrid Redemption Underlying Interest Rate Linked Redemption Debt Linked Redemption Partly Paid Instalment and Dual Currency Redemption [If the Notes are Dual Currency Redemption Notes, another Redemption/Payment Basis must always be specified.]

Payout Switch: Applicable/Not applicable

Payout Switch Election: Applicable/Not Applicable

[If applicable insert relevant provisions from Conditions]

(f) Paragraph 16 of Part A- Contractual Terms is amended as follows:

16. Exchange Rate: [insert rate of exchange and details of how and when such rate is to be ascertained] [Not applicable]

(g) Paragraph 65 of Part A- Contractual Terms is amended as follows:

65. Form of Notes: [Bearer Notes:
New Global Note:⁹ [Yes/No
[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.]]¹⁰
[Italian Dematerialised Notes]
[Registered Notes:
Registered Global Note (U.S.\$[●] nominal amount)/Registered Notes in definitive form (*specify nominal amounts*)]

(h) Paragraph 70 of Part A- Contractual Terms is amended as follows:

70. Calculation Agent: [BNP Paribas Arbitrage S.N.C.]/[BNP Paribas]/[BNP Paribas Fortis SA/NV]/[BGL BNP Paribas]/[Specify other]

Calculation Agent address for the purpose of the Noteholder Account Information Notice:

(i) Paragraph 1(i) of Part B- Other Information is amended as follows:

1. Listing and Admission to trading

(i) Listing and admission to trading: [The Notes are unlisted.]/[Application has been made to list the Notes on [the Official List of the Luxembourg Stock Exchange/ Euronext Paris/ Euronext Brussels] and to admit the Notes for trading on [the Luxembourg Stock Exchange's regulated market/Euro MTF Market/Euronext Paris/ Euronext Brussels] [with effect from [●]].]/[Application will be made to list the Notes on the Italian Stock Exchange and to admit the Notes described herein for trading on the [MOT Market][-electronic "Securitized Derivatives Market" (the "SeDeX")], organised and managed by Borsa Italiana S.p.A. [with effect from [●]]]/[Application has been made to list the Notes on the stock exchange of [Madrid/Barcelona/Valencia/Bilbao] and to admit the Notes to trading in the Notes Module of the Spanish stock market trading system (Sistema de Interconexión Bursátil Español ("SIBE")) [with effect from [●]].]/[Application will be made to list the Notes on [Euronext Paris/NYSE Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A. ("Euronext

Lisbon")/OPEX - Sociedade Gestora de Sistema de Negociação Multilateral, S.A. ("OPEX")/ Euronext Brussels] and to admit the Notes described herein for trading on [Euronext Paris/ Euronext Brussels/EasyNext Lisbon managed by Euronext Lisbon]/[PEX managed by OPEX/ Euronext Paris] [with effect from [●]].]/[Application will be made to list the Notes on the Nordic Derivatives Exchange Stockholm (the "NDX") and to admit the Notes for trading on the NDX [with effect from [●]].] [Application [has been/will be] made to list the Notes and to admit the Notes for trading [with effect from [●]] on the Official List of NASDAQ OMX Helsinki Ltd. and/or on the Nordic Derivatives Exchange of the Nordic Growth Market NGM AB]/[specify other exchange]. [Application will be made for the Notes to be admitted to trading on the Multilateral Trading Facility EuroTLX (managed by EuroTLX SIM S.p.A.) [with effect from [●]]. The Issuer is not a sponsor of, nor is it responsible for, the admission and trading of the Notes on the EuroTLX and no assurance can be given that any such application will be successful.] [Application will be made to list the Notes and to admit the Notes for trading on the Official List of NASDAQ OMX Stockholm [with effect from [●]].]/[Application has been made to list the Notes on the Official List of the Freiverkehr Stock Exchange and to admit the Notes for trading on the Frankfurt Stock Exchange's Regulated Unofficial Market ("Freiverkehr" section) [with effect from [●]].] [Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market for listed securities [with effect from [●]].]/[Application has been made to list the Notes on the Main Board of the Johannesburg Stock Exchange and to admit the Notes described herein for trading through the Central Securities Depository [with effect from [●]].]/[Application has been made to list the Notes on NYSE Altemext Brussels and to admit the Notes for trading on NYSE Altemext Brussels. [with effect from [●]]]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading)

(j) Paragraph 5 of Part B- Other Information is amended as follows:

5. *[Fixed Rate Notes only – Yield*

Indication of [gross]¹⁷ yield: [●]

[As set out above, the] [The] [gross]¹⁸ yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield] [As the payments under the Notes will be made in the Settlement Currency, the yield expressed in the Settlement Currency may be lower (and may even be negative) than the yield expressed in the Specified Currency due to the risk on the exchange rate.]

(k) Paragraph 7 of Part B- Other Information is amended as follows:

7. **[Performance of Rates of Exchange/Index/ Share/ Commodity/ Inflation/ Foreign Exchange Rate/ Fund/ Reference Entity/ Entities/ ETI Interest/ Formula and Other Information concerning the Underlying Reference**

Need to include details of where past and further performance and volatility of the index/formula/commodity/rates/reference entity/fund/other variables can be obtained.]²⁰ [If there is a derivative component in the interest or the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, an example of how the value of the investment is affected by the value of the underlying may be included.]

[Where the underlying is an index need to include the name of the index and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]²¹

[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.]

(l) Paragraph 8 of Part B- Other Information is amended as follows:

8. **OPERATIONAL INFORMATION**

- | | | |
|--------|---|--|
| (i) | ISIN: | <input type="checkbox"/> |
| (ii) | Common Code: | <input type="checkbox"/> |
| (iii) | Any clearing system(s) other than Euroclear, Clearstream, Luxembourg approved by the Issuer and the Principal Paying Agent and the relevant identification number(s): | [Not applicable/Central Moneymarkets Unit/ <u>Monte Titoli</u> /give name(s) and number(s)] |
| (iv) | Delivery: | Delivery [against/free of] payment |
| (v) | Additional Paying Agent(s) (if any): | [Not applicable/give name] |
| (vi) | [CMU Instrument No.: | Not applicable/ <input type="checkbox"/> |
| (vii) | [CMU Lodging Agent: | Not applicable/ <input type="checkbox"/> |
| (viii) | [CMU Paying Agent: | Not applicable/ <input type="checkbox"/> |
| (ix) | Intended to be held in a manner which would allow Eurosystem eligibility ²² : | [Yes] [No].

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs ²³ as Common Safekeeper 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 satisfaction of the Eurosystem eligibility criteria.][include this text if "yes" selected in which case the Notes must be issued in NGN form] |

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE NOTES

In relation to the amendments to the Terms and Conditions of the Notes set out in this section: (i) text which, by virtue of this Fifth Supplement is deleted from the Terms and Conditions of the Notes is shown with a line through the middle of the relevant deleted text, and (ii) text which, by virtue of this Fifth Supplement is added to the Terms and Conditions of the Notes is shown underlined.

The Terms and Conditions of the Notes on pages 339 to 411 of the Base Prospectus are amended as set out on pages 21 – 100 of this Fifth Supplement:

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which will include the additional terms and conditions for payouts for Securities contained in Annex 1, the additional terms and conditions contained in Annex 2 in the case of Index Securities, the additional terms and conditions contained in Annex 3 in the case of Share Securities, the additional terms and conditions contained in Annex 4 in the case of ETI Securities, the additional terms and conditions contained in Annex 5 in the case of Debt Securities, the additional terms and conditions contained in Annex 6 in the case of Commodity Securities, the additional terms and conditions contained in Annex 7 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 8 in the case of Currency Securities, the additional terms and conditions in Annex 9 in the case of Fund Securities, the additional terms and conditions contained in Annex 10 in the case of Futures Securities, the additional terms and conditions contained in Annex 11 in the case of Underlying Interest Rate Securities, the additional terms and conditions contained in Annex 12 in the case of Credit Securities or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time in the case of any other security linked to any other Underlying Reference (the "Terms and Conditions") which will be attached to or incorporated by reference into each Global Note and endorsed upon each definitive Note or in the case of Italian Dematerialised Notes (as defined below) will apply to such Notes. In the case of Italian Dematerialised Notes the applicable Final Terms in respect of such Notes will be available at the specified office of the relevant Issuer and at the office of the Italian Agent (in each case specified in the applicable Final Terms).

For the purposes of Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive ("**Exempt Securities**"), references in these Terms and Conditions to "Final Terms" shall be deemed to be references to "Pricing Supplement". The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) to the extent implemented in the relevant Member State of the European Economic Area and includes any relevant implementing measure in the relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

This Note is one of a Series of the Notes ("**Notes**", which expression shall mean (i) in relation to any Notes represented by a Note in global form (a "**Global Note**", which term shall include any Bearer Global Note or Registered Global Note), units of the lowest Specified Denomination (as specified in the applicable Final Terms) in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a Global Note ~~and~~, (iii) any Global Note and (iv) Italian Dematerialised Notes (as defined below) issued by the Issuer specified as such in the applicable Final Terms being any of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**"), BNP Paribas Fortis Funding ("**BP2F**") or BGL BNP Paribas ("**BGL**" (either directly or, if so specified in the applicable Final Terms, acting through a specified branch ("**Specified Branch**")), each an "**Issuer**" and references herein to the "**relevant Issuer**" being to the Issuer of the relevant Notes) subject to, and with the benefit of, a Note agency agreement (the "**Note Agency Agreement**", which expression includes the same as it may be updated, ~~amended, or~~ supplemented or restated from time to time) dated on or around 5 June 2014 and made between BNPP B.V. as issuer, BNP Paribas ("**BNPP**") as guarantor (where the Issuer is BNPP B.V.) (in such capacity, the "**BNPP Guarantor**") and, if specified in the applicable Final Terms, calculation agent, BP2F as Issuer and (where the Issuer is BP2F) BNP Paribas Fortis SA/NV ("**BNPPF**") as guarantor (in such capacity, the "**BNPPF Guarantor**" and, together with the BNPP Guarantor, the "**Guarantors**" and each a "**Guarantor**") and, if specified in the applicable Final Terms, calculation agent, BGL as issuer and, if specified in the applicable Final Terms, calculation agent, BNP Paribas Securities Services, Luxembourg Branch as principal agent and transfer agent (the "**Principal Paying Agent**" and "**Transfer Agent**" which expressions shall include any successor as principal paying agent or transfer agent, as applicable), BNP Paribas Securities Services, Milan Branch as paying agent and Italian agent (the "**Italian Agent**") (appointed pursuant to an amended and restated note agency agreement dated on or around 10 October 2014, and becoming a party to the Note Agency Agreement). BNP Paribas Arbitrage S.N.C. if specified in the Final Terms as calculation agent (together with BNP Paribas, BNPPF

and BGL each a "**Calculation Agent**" which expression shall include any other calculation agent specified in the applicable Final Terms), BNP Paribas Securities Services, Luxembourg Branch as registrar (the "**Registrar**", which expression shall include any successor registrar) and the other paying agents and transfer agents named therein (together with the Principal Paying Agent, the "**Paying Agents**" and "**Transfer Agents**" which expressions shall include any additional or successor paying agents or transfer agents). The Principal Paying Agent, [the Italian Agent](#), Registrar and Transfer Agents are referred to together as the "**Agents**".

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means each original issue of Notes together with any further issues expressed to be consolidated and form a single series with the original issue and which have the same terms and conditions or terms and conditions which are the same in all respects save for the Issue Date, Issue Price, the amount and date of the first payment of interest thereon (if any) and/or the date from which interest (if any) starts to accrue and the expressions "**Notes of the relevant Series**" and "**Noteholders of the relevant Series**" and related expressions shall be construed accordingly.

The holders for the time being of the Notes ("**Noteholders**" or "**Holders**"), which expression shall, in relation to any Notes represented by a Global Note [or any Italian Dematerialised Note](#), be construed as provided in Condition 1, the holders of the Coupons (as defined below) appertaining to interest-bearing definitive Bearer Notes (the "**Couponholders**"), the holders of the Talons (the "**Talontholders**") and the holders of the Receipts (the "**Receiptholders**") are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Note Agency Agreement and the applicable Final Terms, which are binding on them. Certain statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Note Agency Agreement. Copies of the Note Agency Agreement (which contains the form of Final Terms) and the Final Terms for the Notes of this Series are available from the principal office of the Principal Paying Agent and the Paying Agents set out at the end of these Terms and Conditions.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of a deed of covenant (the "**Deed of Covenant**" [which expression includes the same as it may be amended, supplemented and/or restated from time to time](#)) dated on or around 5 June 2014 and made by the Issuers. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear Bank SA/NV and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**").

Subject as provided in the relevant Guarantee (as defined below), (i) where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the deed of Guarantee dated on or around 5 June 2014 (the "**BNPP Note Guarantee**"), and (ii) where the Issuer is BP2F, the obligations of BP2F with respect to physical delivery (if applicable) and/or the payment of amounts payable by BP2F are guaranteed by BNPPF pursuant to the deed of Guarantee dated on or around 5 June 2014 (the "**BNPPF Note Guarantee**" and together with the BNPP Note Guarantee, the "**Guarantees**" and each a "**Guarantee**").

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 (including [without limitation, Monte Titoli](#), The Depository Trust Company and Euroclear France and the *Intermédiaires financiers habilités* authorised to maintain accounts therein (together, "**Euroclear France**") approved by the Issuers and the Principal Paying Agent. [Pursuant to the Article 83-bis and subsequent of the Italian legislative decree no. 58/1998 and the relevant implementing CONSOB and Bank of Italy Jointed Regulation dated 22 February 2008, as amended and integrated by subsequent implementing provisions, all securities cleared through Monte Titoli are required to be in dematerialised form.](#)

Words and expressions defined in the Note Agency Agreement or used in the applicable Final Terms (which term, as used herein, means, in relation to this Note, the Final Terms attached hereto or endorsed hereon [or, as the case may be, applicable to such Notes](#)) shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. FORM, DENOMINATION, TITLE AND TRANSFER

1.1 Form, Denomination and Title

The Notes, other than Italian Dematerialised Notes, are in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") issued in the Specified Currency and Specified Denomination(s) and definitive Notes will be serially numbered. Italian Dematerialised Notes will be issued in bearer (*al portatore*), uncertificated and dematerialised book-entry form into Monte Titoli S.p.A.(with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy, or any successor clearing system thereto) ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions ("**Italian Dematerialised Notes**"). Italian Dematerialised Notes will not be issued in definitive form. However, the holder still has the right to obtain the release of the certificate pursuant to articles 83-quinquies and 83-novies, paragraph 1, letter b), of the Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions. This Note is, to the extent specified in the applicable Final Terms, a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note and/or a Note with interest linked to one or more, or a combination of, underlying reference asset(s) or basis(bases) (each an "**Underlying Reference(s)**") specified in the applicable Final Terms ("**Linked Interest Notes**") such as an Index Linked Interest Note, a Share Linked Interest Note, an Inflation Linked Interest Note, a Commodity Linked Interest Note, a Fund Linked Interest Note, an ETI Linked Interest Note, a Currency Linked Interest Note, a Debt Linked Interest Note, an Underlying Linked Interest Rate Note or (in the case of a combination of underlying reference assets or bases) a Hybrid Linked Interest Note or, subject to all applicable laws and regulations, any other type of Note depending on the Interest Basis specified in the applicable Final Terms. This Note may be an Index Linked Redemption Note (together with Index Linked Interest Notes, "**Index Securities**"), a Share Linked Redemption Note (together with Share Linked Interest Notes, "**Share Securities**"), an Inflation Linked Redemption Note (together with Inflation Linked Interest Notes, "**Inflation Index Securities**"), a Commodity Linked Redemption Note (together with Commodity Linked Interest Notes, "**Commodity Securities**"), a Fund Linked Redemption Note (together with Fund Linked Interest Notes, "**Fund Securities**"), a Credit Linked Redemption Note (a "**Credit Security**"), an ETI Linked Redemption Note (together with ETI Linked Interest Notes, "**ETI Securities**"), a Currency Linked Redemption Note (together with Currency Linked Interest Notes, "**Currency Securities**"), a Debt Linked Redemption Note (together with a Debt Linked Interest Note, "**Debt Securities**"), an Underlying Interest Rate Linked Redemption Note (together with an Underlying Linked Interest Rate Note, "**Underlying Interest Rate Securities**"), a Note with redemption linked to any combination of underlying reference assets or bases (a "**Hybrid Linked Redemption Note**" and together with a **Hybrid Linked Interest Note**, "**Hybrid Securities**"), an Instalment Note, a Partly Paid Note, a Dual Currency Redemption Note or any combination thereof or, subject to all applicable laws and regulations, any other type of Note depending on the Redemption/Payment Basis specified in the applicable Final Terms. If it is a definitive Bearer Note, it is issued with coupons for the payment of interest ("**Coupons**") attached and, if applicable, talons for further Coupons ("**Talons**") attached unless it is a Zero Coupon Note in which case references to interest (other than in the case of late payment) and Coupons in these Terms and Conditions are not applicable. If it is a definitive Bearer Note Instalment Note it is issued with receipts ("**Receipts**") for the payment of instalments of principal prior to stated maturity attached. Any Except in the case of Italian Dematerialised Notes, any reference in these Terms and Conditions to Coupon(s), Couponholder(s) or coupon(s) shall, unless the context otherwise requires, be deemed to include a reference to Talon(s), Talonholder(s) or talon(s).

If the Notes are Hybrid Securities and Hybrid Securities is specified as applicable in the applicable Final Terms, the terms and conditions of the Notes will be construed on the basis that in respect of each separate type of Underlying Reference, the relevant terms applicable to each such separate type of Underlying Reference will apply, as the context admits, separately and independently in respect of the relevant type of

Underlying Reference, except as specified in the applicable Final Terms. "**Hybrid Business Day**" has the meaning given to such term in the applicable Final Terms.

Subject as set out below, title to the Bearer Notes, the Coupons and the Receipts will pass by delivery and title to Registered Notes and Italian Dematerialised Notes will pass upon registration of transfers in accordance with the provisions of the Note Agency Agreement. The holder of each Coupon or Receipt, whether or not such Coupon or Receipt is attached to a Bearer Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Note. The Issuer, the Guarantor (if any) and any Paying Agent, to the extent permitted by applicable law, may deem and treat the bearer of any Bearer Note, Coupon or Receipt as the absolute owner thereof (whether or not such Bearer Note, Coupon or Receipt shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Bearer Global Note, without prejudice to the provisions set out below.

The Issuer has appointed the Registrar at its office specified below to act as registrar of the Registered Notes. The Issuer shall cause to be kept at the specified office of the Registrar for the time being at 33 rue de Gasperich, Howald - Hesperange, L-2085 Luxembourg, a register (the "**Register**") on which shall be entered, *inter alia*, the name and address of the holder of the Registered Notes and particulars of all transfers of title to the Registered Notes.

For so long as any of the Notes is represented by a Bearer Global Note or a Registered Global Note (each as defined in Condition 1.2(f) below) 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, the Guarantor (if any) and the 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 Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor (if any) and any 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 "**Noteholders**" and related expressions shall be construed accordingly.

For so long as any of the Notes are represented by a Bearer Global Note or a Registered Global Note (each as defined in Condition 1.2(f) below) held by or on behalf of the HKMA as the operator of the CMU ("**CMU operator**"), each person for whose account interest in the relevant Bearer Global Note or Registered Global Note is credited as being held in the CMU, as notified by the CMU to the CMU Lodging Agent in a relevant CMU Instrument Position Report, or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error), shall be treated by the Issuer, the Guarantor (if any) and any 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 "Noteholders" and related expressions shall be construed accordingly.

For so long as any of the Notes are represented by an Italian Dematerialised Note, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Notes (in which regard any certificate, record or other document issued by Monte Titoli as to the amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by applicable law) be treated for all purposes by the relevant Issuer, the Guarantor, if any, the Italian Agent and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Noteholder**" and related expressions shall be construed accordingly, except

where Italian law is applicable, in which case "**Holder**" and "**Noteholder**" will be exclusively deemed to be the beneficial owner of the Italian Dematerialised Notes). The Issuer shall cause Italian Dematerialised Notes to be dematerialised and centralised with Monte Titoli, pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

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, or the CMU or such other clearing system approved by the Issuers or the Principal Paying Agent.

Italian Dematerialised Notes are held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli account holders. Italian Dematerialised Notes will at all times be held in book entry form and title to the Italian Dematerialised Notes will be evidenced by book entries pursuant to the relevant provisions of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions, and in accordance with CONSOB and Bank of Italy Joint Regulation dated 22 February 2008, as amended and integrated by subsequent implementing provisions. The Noteholders may not require physical delivery of the Italian Dematerialised Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Article 83-*quinquies* of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions. Italian Dematerialised Notes will be transferable only in accordance with the rules and procedures for the time being of Monte Titoli. In particular, the transfer of the Italian Dematerialised Notes operates by way of registration in the accounts opened with Monte Titoli by the intermediaries adhering to the clearing system. As a consequence, the subject who from time to time is the owner of the account held with an intermediary adhering, directly or indirectly, to Monte Titoli, in which the Italian Dematerialised Notes are credited, is considered as the legitimate beneficial owner of the Italian Dematerialised Notes and is authorised to exercise all rights related to them.

The Notes will be settled by way of cash payment ("**Cash Settled Notes**" or "**Cash Settled Securities**") or, if Physical Settlement is specified as applicable in the applicable Final Terms, will be settled by physical delivery ("**Physical Delivery Notes**" or "**Physically Settled Securities**").

1.2 **Transfers of Registered Notes**

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear, Clearstream, Luxembourg or the CMU, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg or the CMU, as the case may be and in accordance with the terms and conditions specified in the Note Agency Agreement.

(b) Transfers of Registered Notes in definitive form

Subject as provided in paragraph (e) below, upon the terms and subject to the conditions set forth in the Note Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys

duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Note Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 5, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time. Prior to expiry of the applicable Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Global Note may be made to a transferee in the United States or who is a U.S. person under Regulation S (or for the account or benefit of such person) only pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**Securities Act**").

(f) Definitions

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

"**Bearer Global Note**" means a global note (temporary or permanent) in bearer form;

"**CMU**" or "**CMU Service**" means the Central Moneymarkets Unit Service (or any lawful successor thereto), being the book-entry clearing system operated by the HKMA;

"**CMU Instrument Position Report**" means the instrument position report showing the aggregate nominal value of the instrument specified therein held by CMU Members in the CMU securities accounts, as prepared from time to time by the CMU, and provided to the relevant paying agent of such instrument, in the form shown in Appendix E.2 of the CMU Manual;

"**CMU Lodging Agent**" shall be as specified in the relevant Final Terms;

"**CMU Manual**" means the reference manual relating to the operation of the CMU Service issued by the HKMA to CMU Members, as amended from time to time;

"**CMU Member**" means any member of the CMU Service;

"**CMU Rules**" means all requirements of the CMU Service for the time being applicable to a CMU Member and includes (a) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU Service and the CMU Manual; (b) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and (c) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual;

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as determined and certified by the relevant Lead Manager (in the case of a syndicated issue);

"**HKMA**" means the Hong Kong Monetary Authority, the government authority in Hong Kong with responsibility for maintaining currency and banking stability, or any lawful successor thereto;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Registered Global Note**" means a global note in registered form; and

"**Regulation S**" means Regulation S under the Securities Act.

2. STATUS OF THE NOTES, THE GUARANTEE AND NEGATIVE PLEDGE OF BGL

2.1 Status

(a) Notes issued by BNPP B.V.

If the Notes are issued by BNPP B.V., the Notes and (if applicable) the relative Coupons are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).

(b) Notes issued by BP2F

If the Notes are issued by BP2F, the Notes and (if applicable) the relative Coupons constitute direct, unconditional, unsubordinated and unsecured and general obligations of the Issuer and rank *pari passu* (subject to mandatorily preferred debts under applicable laws) without any preference among themselves and at least equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations, including guarantees and other obligations of a similar nature of the Issuer.

(c) Notes issued by BGL

If the Notes are issued by BGL, the Notes and (if applicable) the relative Coupons constitute (subject to Condition 2.3) direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 2.3, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer present and future (other than indebtedness or monetary obligations preferred by mandatory provisions of law).

2.2 Status and terms of the Guarantees

(a) BNPP Note Guarantee

The obligations of BNPP under the BNPP Note Guarantee are direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and rank and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Guarantor (save for statutorily preferred exceptions).

(b) BNPPF Note Guarantee

The Guarantee of BNPPF constitutes direct, unconditional, irrevocable, unsubordinated and unsecured obligations of the Guarantor and ranks *pari passu* (subject to mandatorily preferred debts under applicable laws) equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.

(c) Terms of Guarantees

Subject as provided below and in the relevant Guarantee, the relevant Guarantor has unconditionally and irrevocably (a) guaranteed to each Noteholder all obligations of the relevant Issuer in respect of such Notes as and when such obligations become due, and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Notes as and when such obligations become due, the relevant Guarantor will after a demand has been made on the relevant Guarantor (without requiring the relevant Noteholder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though the relevant Guarantor were the principal obligor in respect of such obligations, provided that in the case of Notes (other than Credit Securities) where the obligations of the relevant Issuer which fall to be satisfied by the relevant Guarantor constitute the delivery of the Entitlement to the holders of such Notes if such delivery is not practicable by reason of (x) a Settlement Disruption Event (as defined in Condition 4(b)(i)(E)) or (y) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 4(b)(i)(F)), in lieu of such delivery the relevant Guarantor will make payment in respect of each such Note of, in the case of (x) above, the Disruption Cash Redemption Amount (as defined in Condition 4(b)(i)(E)) or in the case of (y) above, the Failure to Deliver Redemption Amount (as defined in Condition 4(b)(i)(F)). Any payment of the Disruption Cash Redemption Amount or the Failure to Deliver Redemption Amount, as the case may be, in respect of a Note shall constitute a complete discharge of the relevant Guarantor's obligations in respect of the delivery of the Relevant Assets affected by the Settlement Disruption Event or Failure to Deliver due to Illiquidity, as the case may be.

2.3 Negative Pledge of BGL

If the Notes are issued by BGL, the Issuer undertakes that, so long as any of the Notes or the Coupons relating to them remain outstanding (as defined in the Note Agency Agreement), it shall not create or have outstanding any mortgage, charge, pledge, lien (other than a lien arising solely by operation of law in the ordinary course of business) or other encumbrance, upon or with respect to, the whole or any part of, its present or future property, assets or revenues to secure repayment of, or to secure any guarantee of or indemnity in respect of, any external indebtedness unless such Notes and Coupons are, at the same time, secured equally and rateably therewith, or have the benefit of such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Note Agency Agreement) of the Noteholders. In this Condition 2.3, "**external indebtedness**" means any obligation for the repayment of borrowed money in the form of, or represented by, bonds, notes, debentures or other securities:

- (a) that are payable or may be required to be paid in, or by reference to, any currency other than euro which on issue was offered through an international group of banks or financial institutions as to more than 50 per cent. in issue amount outside Belgium and Luxembourg; and
- (b) that are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange, automated trading system, over-the-counter or other securities market.

3. INTEREST

3.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment Date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day in the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (b) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, 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 Period End Date or Interest Payment Date, as the case may be shall be brought forward to the immediately preceding Business Day; or
- (c) the Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

If no Business Day Convention is specified as applicable to an Interest Period End Date in the applicable Final Terms and the Notes are in definitive form:

- (i) the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) the Interest Period End Final Date in respect of such Interest Period, will amount to the Fixed Coupon Amount; and
- (ii) the amount of interest payable on any other Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

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, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (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; or (C) in the case of Fixed Rate Notes which are represented by Italian Dematerialised Notes, the aggregate outstanding nominal amount of such Italian

Dematerialised Notes, 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, and, in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 3.14 below.

Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of Interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**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, means one cent.

3.2 Interest on Floating Rate Notes

(a) Interest Period End Dates and Interest Payment Dates

Each Floating Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, in accordance with Condition 3.11) or pays interest in respect of each Interest Period (which expression shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 3.2 "**Interest Period End Date**" shall mean either:

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

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day in the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, 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 3.2(a)(ii) above, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) 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 (aa) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Period End Date

or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or

- (B) The Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (C) The Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, 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 Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or
- (D) The Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

(b) Rate of Interest

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

(c) Determination of Rate of Interest and Calculation of Interest Amount

The Principal Paying Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "**Interest Determination Date**"), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms) for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); ~~or~~

(ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount; or

~~(ii)~~(iii) in the case of Floating Rate Notes which are represented by Italian Dematerialised Notes, the aggregate outstanding nominal amount of such Italian Dematerialised Notes,

~~and~~, in each case, multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (as defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention and, in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 3.14 below. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(d) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms), the FBF Rate (if specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means (i) in relation to Screen Rate Determination, the period of time designated in the Reference Rate or (ii) in relation to FBF Determination, the period of time specified in the relevant FBF Rate.

3.3 **Interest on Linked Interest Notes**

(a) Interest Period End Dates and Interest Payment Dates

Each Linked Interest Note bears interest on its nominal amount (or, if it is a Partly Paid Note, in accordance with Condition 3.11) or pays interest in respect of each Interest Period (which expression shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 3.3 "**Interest Period End Date**" shall mean either:

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

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (x) if there is no numerically corresponding day in the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (y) if any Interest Period End Date or Interest Payment Date, as the case may be, 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 3.3(a)(ii) above, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or

(ii) 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 (aa) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or

- (B) The Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (C) The Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, 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 Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or
- (D) The Preceding Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Linked Interest Notes will be the Coupon Rate determined in the manner specified in the applicable Final Terms which Coupon Rate may comprise one or more Additional Coupons determined in the manner specified in the applicable Final Terms.

(c) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "**Interest Determination Date**"), determine the Rate of Interest (subject to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms) for the relevant Interest Period. The Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); ~~or~~

(ii) in the case of Linked Interest Notes in definitive form, the Calculation Amount; ~~or~~

~~(ii)(iii)~~ in the case of Linked Interest Notes which are represented by Italian Dematerialised Notes, the aggregate outstanding nominal amount of such Italian Dematerialised Notes,

~~and~~, in each case, multiplying such sum by the Day Count Fraction (if any) specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (as defined above) of the relevant Specified Currency, one half of such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and, in the case of Dual Currency Interest Notes, converting the resulting figure into the Settlement Currency as provided in Condition 3.14 below. Where the Specified Denomination of a Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of

such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

3.4 **ISDA, FBF and Screen Rate Determination**

(a) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which a Rate of Interest or Rate, as applicable, is to be determined, such Rate of Interest or Rate, as the case may be, 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 (a), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying 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:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is either (x) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (y) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(b) FBF Determination

Where so 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 (as indicated in the applicable Final Terms) 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 foreign exchange and derivatives transactions (an "**FBF Agreement**"), as in effect on the date of issue of the Notes, published by the *Association Française des Banques/Fédération Bancaire Française* 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 Principal Paying 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.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

- (A) 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 Terms and Conditions as though determined under sub-conditions 3.2(c) or 3.3(c) above, as applicable;
- (B) the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Principal Paying Agent in accordance with the preceding sentence; and
- (C) the Principal Paying Agent or Calculation Agent, as applicable, will be deemed to have discharged its obligations under sub-conditions 3.2(c) or 3.3(c) above, as applicable, 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.

(c) **Screen Rate Determination**

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

- (i) the offered quotation; or
- (ii) 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 Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) 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 Principal Paying Agent. If five or more of such offered quotations are available on the Relevant 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Note Agency Agreement contains provisions for determining the Rate of Interest or Rate in the event that the Relevant 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 Specified Time indicated above or in the applicable Final Terms.

If the Reference Rate from time to time is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest or Rate in respect of such Notes will be determined as provided in the applicable Final Terms.

3.5 Minimum and/or Maximum Interest Rate

If the applicable Final Terms specifies a Minimum Interest Rate 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 Condition 3.2(b), 3.2(d), 3.3(b) or 3.4 (as appropriate) is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specifies a Maximum Interest Rate 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

Condition 3.2(b), 3.2(d), 3.3(b) or 3.4 (as appropriate) is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

3.6 **Notification of Rate of Interest and Interest Amount**

The Principal Paying 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, the Guarantor (if applicable) (such notifications to occur no later than the Business Day following such determination), (in the case of Notes which are listed on Euronext Paris or on the Official List of the Luxembourg Stock Exchange and the rules of such stock exchange so require) Euronext Paris or the Luxembourg Stock Exchange, as applicable and, if applicable, to any other stock exchange on which the relevant Notes are for the time being listed. In addition, the Principal Paying Agent (except where the relevant Notes are unlisted and are in global form and held in their entirety on behalf of Euroclear, Clearstream, Luxembourg or the CMU, as the case may be in which event there may be substituted for such publication the delivery of such notice to Euroclear, Clearstream, Luxembourg or the CMU Lodging Agent, as the case may be for communication to the holders of the Notes) shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of these Conditions, the expression "**Luxembourg Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Luxembourg.

3.7 **Certificates to be Final**

All certificates, communications, determinations, calculations and decisions made for the purposes of the provisions of Conditions 3.2 to 3.6 and/or Condition 3.13, by the Principal Paying Agent or, if applicable, Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Principal Paying Agent, the other Paying Agents, or, if applicable, the Calculation Agent and all Noteholders, and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

3.8 **Other definitions**

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in U.S. government securities.

3.9 **Zero Coupon Notes**

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 5.5 at its Amortised Face Amount. As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield specified in the applicable Final Terms. Such interest shall continue to accrue (as well after as before any judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note. Such interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and in the case of an incomplete month the actual number of days elapsed in such incomplete month.

3.10 **Coupon Switch**

If Coupon Switch is specified as applicable in the applicable Final Terms:

- (i) if Coupon Switch Election is specified as applicable in the applicable Final Terms, the Issuer may in its sole and absolute discretion elect that the Rate of Interest for the Notes will be amended (a "**Coupon Switch**") from the Pre-Switch Coupon specified in the applicable Final Terms to the Post-Switch Coupon specified in the applicable Final Terms on and after the Coupon Switch Date; or
- (ii) if Automatic Coupon Switch is specified as applicable in the applicable Final Terms and an Automatic Coupon Switch Event occurs, the Rate of Interest for the Notes will be amended (a "**Coupon Switch**") from the Pre-Switch Coupon specified in the applicable Final Terms to the Post-Switch Coupon specified in the applicable Final Terms on and after the Coupon Switch Date immediately following the SPS ACS Valuation Date or SPS ACS Valuation Period, as applicable, on which the Automatic Coupon Switch Event occurs.

If Additional Switch Coupon is specified as applicable in the applicable Final Terms, following the occurrence of a Coupon Switch, an Additional Switch Coupon Amount will be payable on the Additional Switch Coupon Payment Date. The "**Additional Switch Coupon Amount**" in respect of each nominal amount of Notes equal to the Calculation Amount will be the amount specified as such in the applicable Final Terms. For the purposes of Conditions 1.1, 4 and 13 Additional Switch Coupon Amount shall be deemed to be interest. For the avoidance of doubt, the Additional Switch Coupon Amount will only be paid on the single Additional Switch Coupon Payment Date.

Notice of any Coupon Switch will be given to Noteholders in accordance with Condition 16.

"**Additional Switch Coupon Payment Date**" means the date specified as such in the applicable Final Terms, which such date must be an Interest Payment Date;

"**Automatic Coupon Switch Event**" means that the SPS ACS Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" or (d) "less than or equal to", as specified in the applicable Final Terms, the Automatic Coupon Switch Level, (x) on a SPS ACS Valuation Date or (y) in respect of a SPS ACS Valuation Period, as specified in the applicable Final Terms;.

"**Automatic Coupon Switch Level**" means the number, amount, level or percentage specified as such in the applicable Final Terms;

"**Coupon Switch Date**" means each date specified as such or determined pursuant to the provisions in the applicable Final Terms;

"**SPS ACS Value**" means the value from Payout Condition 2.6, 2.7, 2.8, 2.9 or 2.10 specified as such in the applicable Final Terms;

"**SPS ACS Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS ACS Valuation Period**" means each period specific as such in the applicable Final Terms.

3.11 **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.

3.12 Interest Payments

Interest will be paid subject to and in accordance with the provisions of Condition 4. Interest will cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless such Note is redeemed early. If such Note is redeemed early (i) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (ii) if the applicable Final Terms specify that Accrual to Redemption is not applicable, no interest shall accrue or be payable in respect of which the relevant Interest Payment Date has not occurred on or prior to the due date for redemption of such Note. If the payment of principal or the payment, and/or delivery of the Entitlement (if applicable), is improperly withheld or refused, interest will continue to accrue (as well after as before any judgment) at the Fixed Rate or, as the case may be, the Rate of Interest or as otherwise provided in the applicable Final Terms until whichever is the earlier of (i) the day on which all sums due and/or assets deliverable in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Principal Paying Agent or any agent appointed by the Issuer to deliver such assets to Noteholders has notified the holder thereof (either in accordance with Condition 16 or individually) of receipt of all sums due and/or assets deliverable in respect thereof up to that date.

Provided that in the case of Credit Securities, these provisions shall be subject to the provisions contained in Annex 12 – "Additional Terms and Conditions for Credit Securities".

3.13 Definitions

In these Terms and Conditions:

"**Business Day**" means a day which is both:

- (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 any Additional Business Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a ~~Specified Settlement~~ Currency other than euro or CNY, 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 Settlement~~ Currency (any such centre, an "**Additional Business Centre**" and which, if the ~~Specified Settlement~~ Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) (and where the Notes are Italian Dematerialised Notes, a day on which Monte Titoli is open for business), or (B) in relation to any sum payable in euro, a day (a "**TARGET2 Settlement Day**") on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open (and where the Notes are Italian Dematerialised Notes, a day on which Monte Titoli is open for business) or (C) in relation to any sum payable in CNY, 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 CNY Settlement Centre(s).

"**Calculation Period**" means each Interest Period, AER Calculation Period, FR Calculation Period, Call Calculation Period or Put Calculation Period, as applicable.

"**Day Count Fraction**" means, in respect of the calculation of a rate or an amount of interest for any Calculation Period:

- (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 Period End 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:
 - (x) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**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 Interest Period End 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);

- (b) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of a Calculation Period ending in a leap year, 366;
- (e) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31 in which case D₁, will be 30; and

"D₂" is the calendar day expressed as a number immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (g) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31 in which case D₁, will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (h) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 in which case D₂ will be 30.

3.14 Dual Currency Interest Notes

If the Notes are specified in the applicable Final Terms as Dual Currency Interest Notes, the amount of interest calculated in respect of any Interest Payment Date is not an amount in the Settlement Currency, it will be converted into the Settlement Currency at the Specified Exchange Rate specified in the applicable Final Terms or, if no Specified Exchange Rate is specified, the Settlement Currency Exchange Rate on the relevant Settlement Currency Exchange Rate Observation Date.

Any reference to "interest" in this Condition 3.14 shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6.

4. PAYMENTS, PHYSICAL DELIVERY AND EXCHANGE OF TALONS

For the purposes of this Condition 4, references 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 also to refer to delivery of any Entitlement(s).

(a) Method of Payment

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg, the CMU and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or integral multiples of U.S.\$1,000 in excess thereof) (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the ~~Specified-Settlement~~ Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (i) (in the case of payment in a ~~Specified-Settlement~~ Currency other than euro or CNY) a bank in the principal financial centre of the country of such ~~Specified-Settlement~~ Currency; (ii) (in the case of a payment in euro) any bank which processes payments in euro; and (iii) (in the case of a payment in CNY) in the CNY Settlement Centre(s).

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the ~~Specified Settlement~~ Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg, the CMU and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note. Notwithstanding anything to the contrary in this paragraph, payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note denominated in CNY (whether or not in global form) will be made solely by transfer to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg or the CMU and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date.

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

Neither the Issuer, the Guarantor (if applicable) nor any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal and interest (if any) in respect of the definitive Bearer Notes will (subject as provided below) be made against presentation or surrender of such Bearer Notes or Coupons, as the case may be, at any specified office of any Paying Agent. Payments of principal in respect of instalments (if any), other than the last instalment, will (subject as provided below) be made against surrender of the relevant Receipt. Payment of the last instalment will be made against surrender of the relevant Bearer Note. Each Receipt must be presented for payment of such instalment together with the relevant definitive Bearer Note against which the amount will be payable in respect of that instalment. If any definitive Bearer Notes are redeemed or become repayable prior to the Maturity Date in respect thereof, principal will be payable on surrender of each such Note together with all unmaturing Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the

definitive Bearer Notes to which they appertain do not constitute obligations of the Issuer. All payments of interest and principal with respect to Bearer Notes will be made only against presentation and surrender of the relevant Bearer Notes, Coupons or Receipts outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)) except as otherwise provided in the third succeeding paragraph. No payments with respect to the Bearer Notes will be made by mail to an address in the United States or by transfer to an account maintained by the holder in the United States.

Subject as provided below, payments in respect of definitive Notes (other than Currency Securities) denominated in a Specified Currency (other than euro or CNY) or, in the case of Currency Securities, payable in a ~~Specified Settlement~~ Currency (other than euro or CNY) will (subject as provided below) be made by a cheque in the ~~Specified Settlement~~ Currency drawn on, or, at the option of the holder and upon 15 days' prior notice to the Principal Paying Agent, by transfer to an account in the ~~Specified Settlement~~ Currency maintained by the payee with, a bank in the principal financial centre of the country of the ~~Specified Settlement~~ Currency. 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 or, at the option of the payee, by euro-cheque. Payments in CNY will be made by credit or transfer to a CNY account within the CNY Settlement Centre(s) unless otherwise specified in the applicable Final Terms.

Payments of principal and interest (if any) in respect of the Notes represented by Italian Dematerialised Notes will be credited, according to the instructions of Monte Titoli, by the Italian Agent on behalf of the relevant Issuer or the Guarantor, as applicable, to the accounts of those intermediaries adhering to the clearing system whose accounts with Monte Titoli are credited with those Italian Dematerialised Notes and thereafter credited by intermediaries adhering to the clearing system from such aforementioned accounts to the accounts of the beneficial owners of those Italian Dematerialised Notes. The relevant Issuer or the Guarantor, as applicable, will be discharged by payment to, or to the order of, Monte Titoli in respect of the amount so paid. Each of the persons shown in the records of Monte Titoli as the holder of a particular amount of the Italian Dematerialised Notes must look solely to Monte Titoli for his share of each such payment so made to, or to the order of, Monte Titoli.

The applicable Final Terms may also contain provisions for variation of settlement where, for reasons beyond the control of the Issuer or any Noteholder (including, without limitation, unlawfulness, illegality, impossibility, *force majeure*, non-transferability or the like, each a "**Payment Disruption Event**"), the Issuer is not able to make, or any Noteholder is not able to receive, as the case may be, payment on the due date and in the ~~Specified Settlement~~ Currency of any amount of principal or interest due under the Notes.

If the applicable Final Terms specify "CNY Payment Disruption Event" to be applicable, in the event that the Calculation Agent determines, in its sole and absolute discretion, that a CNY Payment Disruption Event has occurred or is likely to occur and that such CNY Payment Disruption Event is material in relation to the Issuer's payment obligations under the Notes in respect of any forthcoming Interest Payment Date, Maturity Date or other date on which any amount in respect of the Notes shall be due and payable (each such date, an "**Affected Payment Date**"), then the Calculation Agent shall notify Noteholders as soon as practicable of the occurrence of such CNY Payment Disruption Event in accordance with Condition 16.

If the applicable Final Terms specify that "CNY Payment Disruption Event" is applicable to the Notes, upon the occurrence of a CNY Payment Disruption Event:

(i) *Postponement*

If the applicable Final Terms specify "Postponement" to be applicable in respect of the Notes, then the Affected Payment Date shall be postponed until the earlier of (A) the second Business Day following the day on which such CNY Payment Disruption Event ceases to exist, and (B) the date falling 14 calendar days following the original date on which the Affected Payment Date was scheduled to fall (the "**CNY Payment Disruption Cut-off Date**") and notice thereof shall be given to the relevant Noteholders in accordance with Condition 16. For the avoidance of doubt, no amount of interest shall be payable in respect of any delay in payment of any amount(s) due to the adjustment of any Affected Payment Date.

In the event that, pursuant to the preceding paragraph, the Affected Payment Date is adjusted to fall on the CNY Payment Disruption Cut-off Date and the Calculation Agent determines that a CNY Payment Disruption Event still exists on such day, then the Issuer shall make payment of the Equivalent Amount of the relevant Interest Amount, Final Redemption Amount or such other amount payable (if applicable) on the CNY Payment Disruption Cut-off Date and notice thereof shall be given to the relevant Noteholders in accordance with Condition 16. Any such payment made by the Issuer on the CNY Payment Disruption Cut-off Date shall be in full and final settlement of its obligations to pay such amount in respect of the Notes.

(ii) *Payment of Equivalent Amount*

If the applicable Final Terms specify "Payment of Equivalent Amount" to be applicable in respect of the Notes, the Issuer shall, upon giving notice prior to the relevant Affected Payment Date to the Noteholders in accordance with Condition 16, make payment of the Equivalent Amount of the relevant Interest Amount, Final Redemption Amount or such other amount payable (if applicable) on the relevant Affected Payment Date. Any such payment made by the Issuer on an Affected Payment Date shall be in full and final settlement of its obligations to pay such amount in respect of the Notes.

For these purposes:

"**CNY**" means Chinese Yuan or Renminbi, the lawful currency of the People's Republic of China (including any lawful successor currency to the CNY).

"**CNY Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in the People's Republic of China, Hong Kong and any other CNY Settlement Centre(s).

"**CNY Payment Disruption Event**" means the occurrence of any of the following events:

- (A) an event which makes it impossible (where it had previously been possible) or impractical for the Issuer to convert any amounts due and payable in CNY under the Notes into or from the Equivalent Amount Settlement Currency in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s), except where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any CNY Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to events beyond its

control, to comply with such law, rule or regulation) (a "**CNY Inconvertibility Event**"). For the avoidance of doubt, the inability of the Issuer to convert CNY solely due to issues relating to its creditworthiness shall not constitute a CNY Inconvertibility Event;

- (B) an event that makes it impossible (where it had previously been possible) or impractical for the Issuer to deliver (i) CNY between accounts inside the relevant CNY Settlement Centre(s), or (ii) from an account inside the relevant CNY Settlement Centre(s) to an account outside the relevant CNY Settlement Centre(s) (including, if applicable, to another CNY Settlement Centre) and outside Mainland China, or (iii) from an account outside the relevant CNY Settlement Centre(s) (including, if applicable, from an account inside another CNY Settlement Centre) and outside Mainland China to an account inside the relevant CNY Settlement Centre(s), except where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any CNY Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to events beyond its control, to comply with such law, rule or regulation) (a "**CNY Non-Transferability Event**"). For the purposes of determining whether a CNY Non-Transferability Event has occurred only, a segregated CNY fiduciary cash account with the People's Bank of China and operated by Bank of China (Hong Kong) Limited shall be deemed to be an account inside Hong Kong; and
- (C) an event that makes it impossible (where it had previously been possible) or impractical for the Issuer to obtain a firm quote of an offer price in respect of any amounts due and payable in CNY under the Notes (either in one transaction or a commercially reasonable number of transactions that, when taken together, is no less than such amount) in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s) in order to perform its obligations under the Notes (a "**CNY Illiquidity Event**"). For the avoidance of doubt, the inability of the Issuer to obtain such firm quote solely due to issues relating to its creditworthiness shall not constitute a CNY Illiquidity Event.

"**CNY Settlement Centre**" means the financial centre(s) specified as such in the applicable Final Terms in accordance with applicable laws and regulations. If no CNY Settlement Centre is specified in the relevant Final Terms, the CNY Settlement Centre shall be deemed to be Hong Kong.

"**Equivalent Amount**" means, following the occurrence of a CNY Payment Disruption Event and in respect of the relevant Interest Amount, Final Redemption Amount or such other amount payable (if applicable) on the relevant Affected Payment Date or the relevant CNY Payment Disruption Cut-off Date, as the case may be (for these purposes, the "**Relevant CNY Amount**"), an amount in the Equivalent Amount Settlement Currency determined by the Calculation Agent (in its sole and absolute discretion), by converting the Relevant CNY Amount into the Equivalent Amount Settlement Currency using the Equivalent Amount Settlement Price for the relevant Affected Payment Date or the relevant CNY Payment Disruption Cut-off Date, as the case may be.

"**Equivalent Amount Settlement Currency**" means the currency specified as such in the applicable Final Terms.

"**Equivalent Amount Settlement Price**" means, in respect of any relevant day, the spot rate of exchange between CNY and the Equivalent Amount Settlement Currency on such day, appearing on the Equivalent Amount Settlement Price Source at the Equivalent Amount Settlement Valuation Time on such day (expressed

as a number of units (or part units) of CNY for which one unit of the Equivalent Amount Settlement Currency can be exchanged), or if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer CNY/Equivalent Amount Settlement Currency exchange rates provided by two or more leading dealers on a foreign exchange market (as selected by the Calculation Agent) at the Equivalent Amount Settlement Valuation Time on such day. If less than two leading dealers provide the Calculation Agent with bid and offer CNY/Equivalent Amount Settlement Currency exchange rates on such day, the Calculation Agent shall determine the Equivalent Amount Settlement Price in its discretion.

"Equivalent Amount Settlement Price Source" means the price source specified in the applicable Final Terms.

"Equivalent Amount Settlement Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time at which the Equivalent Amount Settlement Price Source publishes the Equivalent Amount Settlement Price.

"impossible" or **"impossibility"** in relation to a CNY Payment Disruption Event, shall include (but shall not be limited to) any act which, if done or performed by the Issuer (or any affiliate of the Issuer) would be or result in the breach of any applicable law, rule, or regulation.

"impractical" or **"impracticality"** means, in relation to a CNY Payment Disruption Event and in respect of any action to be taken by the Issuer, that the Issuer (or any of its affiliates) would incur a materially increased amount of taxes, duties, expenses or fees (as compared with circumstances existing on the Trade Date) to perform such action.

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will be made in the manner specified above 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 of the United States. A record of each payment made on such Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which such Global Note is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

Notwithstanding the foregoing, payments in respect of Bearer Notes denominated and payable in U.S. dollars will be made at the specified office of any Paying Agent in the United States if (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount due on the Bearer Notes in the manner provided above when due and (b) payment of the full amount due at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions.

Notwithstanding the foregoing, payments in respect of Notes denominated and payable in CNY will be made solely by transfer to a CNY bank account maintained in the CNY Settlement Centre(s) in accordance with prevailing rules and regulations.

The holder of the relevant Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the payment obligations of the Issuer or the Guarantor (if applicable) 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 and/or Clearstream, Luxembourg or the CMU as the holder of a particular nominal amount of Notes must look solely to Euroclear and/or Clearstream, Luxembourg or the CMU, as the case may be, for his

share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Global Note. No person other than the holder of the relevant Global Note shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Global Note.

Fixed Rate Bearer Notes in definitive form should be presented for payment with all unmatured Coupons appertaining thereto (which expression shall include Coupons to be issued on exchange of Talons which will have matured on or before the relevant redemption date), failing which the full amount of any missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupon which the sum so paid bears to the total amount due) will be deducted from the sum due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 6) for the payment of such sum due for payment, whether or not such Coupon has become void pursuant to Condition 13 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Bearer Note 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 due date for redemption of any Floating Rate Note, Dual Currency Interest Note, Dual Currency Redemption Note (each, a "Dual Currency Note"), Index Security, Share Security, Inflation Security, Commodity Security, Fund Security, Credit Security, ETI Security, Currency Security, Debt Security or Hybrid Security in definitive bearer form all unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Floating Rate Note, Index Security, Share Security, Inflation Security, Commodity Security, Fund Security, Credit Security, ETI Security, Currency Security, Debt Security or Hybrid Security is presented for redemption without all unmatured Coupons appertaining thereto, payment of all amounts due in relation to such Note shall be made only against the provision of such indemnity of the Issuer or the Guarantor (if applicable).

If any date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, then the holder thereof shall not be entitled to payment of the amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. If the due date for redemption of any interest bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Note from (and including) the last preceding due date for the payment of interest (or from the Interest Commencement Date) will be paid against surrender of such Note.

For these purposes, "**Payment Day**" means any day which (subject to Condition 13) is:

- (i) 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:
 - (A) the relevant place of presentation;
 - (B) each Financial Centre specified in the applicable Final Terms; and
- (ii) either (A) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (B) in relation to any sum payable in CNY, 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 CNY Settlement Centre(s).

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 Principal Paying 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 14. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

If the determination of any amount (whether in respect of principal, interest or otherwise) due in respect of the Notes on an Interest Payment Date, Instalment Date, early redemption date or the Maturity Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling after the day that is two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date, Instalment Date, early redemption date or the Maturity Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest or other amount shall be payable on the Notes in respect of such delay.

The names of the initial Principal Paying Agent and the other initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents and/or to approve any change in the specified office of any Paying Agent, provided that:

- (i) so long as any Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent (in the case of Bearer Notes) and a Transfer Agent, which may be the Registrar (in the case of Registered Notes) with a specified office in the place required by the rules and regulations of the relevant stock exchange; and
- (ii) there will at all times be a Principal Paying Agent and a Registrar; and
- (iii) there will at all times be a Paying Agent in a jurisdiction within continental Europe other than the jurisdiction of the Issuer;
- (iv) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; ~~and~~
- (v) so long as any Notes are cleared through CMU, there will at all times be appointed a CMU lodging agent or paying agent with a specified office in such place as required by the CMU; and
- ~~(v)~~(vi) so long as any Notes are cleared through Monte Titoli, there will at all times be an Italian Agent.

In addition, the Issuer shall immediately appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4(a). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate

effect) after not less than 30 nor more than 45 days' prior notice shall have been given to the Noteholders in accordance with Condition 16.

Payments in respect of the Notes 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 6, (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, any official interpretations thereof, or (without prejudice to the provisions of Condition 6) any law implementing an intergovernmental approach thereto, and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.

(b) ***Physical Delivery***

(i) *Physical Delivery*

(A) Asset Transfer Notices

In relation to Notes to be redeemed by delivery or (in the case of Credit Securities) Delivery of the Entitlement(s), in order to obtain delivery or Delivery of the Entitlement in respect of any Note, the relevant Noteholder must:

- (X) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and any entity appointed by the Issuer to deliver or Deliver, as the case may be, the Entitlement on its behalf (the "**Delivery Agent**") not later than the close of business in each place of reception on the Cut-Off Date, a duly completed asset transfer notice in the form set out in the Note Agency Agreement (an "**Asset Transfer Notice**"); and
- (Y) if such Note is in definitive form, the relevant Noteholder must deliver (i) if this Note is a Bearer Note, to any Paying Agent or (ii) if this Note is a Registered Note, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent and the Delivery Agent (as defined above) not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Note Agency Agreement.

For the purposes hereof, "**Cut-off Date**" means the date specified as such in the applicable Final Terms or if not so specified (a) in respect of a Note that is not a Credit Note, the third Business Day immediately preceding the Maturity Date or (b) in respect of a Credit Note, the first Business Day immediately preceding the Settlement Date.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or 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 Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Note is in definitive form, in writing.

If this Note is in definitive form, this Note must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

- I. specify the name, address and contact telephone number of the relevant Noteholder and the person from whom the Issuer or Delivery Agent may obtain details for the delivery or Delivery of the Entitlement;
- II. specify the series number of the Notes and the number of Notes which are the subject of such notice;
- III. in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of 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 to debit the relevant Noteholder's account with such Notes on or before the Delivery Date or (in the case of Credit Securities) the Settlement Date;
- IV. include an undertaking to pay all Expenses and, in the case of Notes represented by a Global Note, an authority to the relevant Clearing System to debit a specified account of the Noteholder with the relevant Clearing System in respect thereof and to pay such Expenses;
- V. include such details as are required for delivery or Delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered or Delivered and specify the name and number of the Noteholder's account to be credited with any cash payable by the Issuer in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Redemption Amount or Failure to Deliver Redemption Amount, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Redemption Amount;
- VI. 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;
- VII. authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Note Agency Agreement.

If Condition 4(b)(ii) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from the Registrar or any Paying Agent.

(B) Verification of the Noteholder

In the case of Notes represented by a Global Note, 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 Principal Paying 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 Entitlement of each Note. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer and any Delivery Agent thereof. The relevant Clearing System will on or before the Delivery Date or Settlement Date, as the case may be, debit the securities account of the relevant Noteholder with the relevant Notes.

(C) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of Notes represented by a Global Note, by the relevant Clearing System or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, or in each case in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Guarantor (if applicable), the Principal Paying Agent(s), any Delivery Agent and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Paying Agent and any Delivery Agent immediately after being delivered or sent as provided in paragraph (A) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of Notes represented by a Global Note, the relevant Clearing System, or, in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, or in each case in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System, the Registrar or a Paying 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 Entitlement will be delivered at the risk of the relevant Noteholder, in the manner provided below on the date fixed for redemption (such date, subject to adjustment in accordance with this Condition, the "**Delivery Date**") or in the case of Credit Securities Delivered at the risk of the relevant Noteholder, in the manner provided below on the Settlement Date, provided that the Asset Transfer Notice is duly delivered 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 Principal Paying Agent and the Delivery Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as

soon as practicable after the date fixed for redemption (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Securities) the Settlement Date at the risk of such Noteholder in the manner provided below. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the date fixed for redemption or the originally designated Settlement Date, as applicable and no liability in respect thereof shall attach to the Issuer or the Guarantor (if applicable), if any.

The Issuer (or any Delivery Agent on its behalf) shall at the risk of the relevant Noteholder, deliver or procure the delivery of the Entitlement for each Note or (in the case of Credit Securities) Deliver the Deliverable Obligations comprising the Entitlement, in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms. All costs, taxes, duties and/or expenses including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes ("**Expenses**") arising from the delivery of the Entitlement or the Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Entitlement or the Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

(D) General

If Aggregation is specified as applicable in the applicable Final Terms, Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Notes. The Entitlement or aggregate Entitlements 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 in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Noteholder.

Following the Delivery Date of a Share or ETI Interest all dividends on the relevant Shares or ETI Interest to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. 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 4(b)(i)(A).

For such period of time after delivery or Delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities or Deliverable Obligations comprising the Entitlement (the "**Intervening Period**"), none of the Issuer, the Guarantor (if applicable), the Paying Agents, the Registrar, any Delivery 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, obligations or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities, obligations or Deliverable 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 registered during such Intervening Period as legal owner of such securities, obligations or Deliverable Obligations.

(E) Settlement Disruption

The provisions of this Condition 4(b)(i)(E) apply to Notes other than Credit Securities.

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Redemption Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 16. Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 that a Settlement Disruption Event has occurred. No Noteholder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

"Disruption Cash Redemption Amount", in respect of any relevant Note, shall be the fair market value of such Note (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets) less, except in the case of Italian Listed Notes, the cost to the Issuer and/or its affiliates of unwinding any underlying

related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion;

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms; and

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent or, if the proviso in Condition 2.2(c) applies, the Guarantor, an event beyond the control of the Issuer or the Guarantor, as the case may be, as a result of which the Issuer or the Guarantor, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(F) Failure to Deliver due to Illiquidity

The provisions of this Condition 4(b)(i)(F) apply to the Notes other than Credit Securities.

If "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms and in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the "**Affected Relevant Assets**") comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver due to Illiquidity**"), then:

- I. subject as provided elsewhere in the Terms and Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated date of redemption in accordance with this Condition 4(b); and
- II. in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Failure to Deliver Redemption Amount (as defined below) on the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 16. Payment of the Failure to Deliver Redemption Amount will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 that the provisions of this Condition 4(b)(i)(F) apply.

For the purposes hereof, "**Failure to Deliver Redemption Amount**" in respect of any relevant Note shall be the fair market value of such Note (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above, the value of such Relevant Assets), less, except in the case of Italian Listed Notes, the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

(G) Additional Provisions for Credit Securities

In the case of Credit Securities, the provisions contained in Annex 12 – "Additional Terms and Conditions for Credit Securities" shall apply.

(H) Additional Provisions for Italian Listed Notes

In the case of Italian Listed Notes, notwithstanding the foregoing, for the purposes of this Condition 4(b)(i) any reference to the "fair market value of such Note" shall be deemed replaced with the "Early Redemption Amount."

(ii) *Variation of Settlement*

(A) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may at its sole and absolute discretion in respect of each such Note, elect not to pay the relevant Noteholders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Noteholders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Noteholders, as the case may be. Notification of such election will be given to Noteholders in accordance with Condition 16.

(B) If specified in the applicable Final Terms, the Issuer shall, in respect of each Note, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Noteholders, make payment of the Final Redemption Amount on the Maturity Date to the relevant Noteholders.

(C) Condition 4(b)(ii) will not apply to Italian Dematerialised Notes.

(iii) *Issuer's Option to Substitute Assets or to pay the Alternate Cash Redemption Amount*

Notwithstanding any provision of these Conditions to the contrary, the Issuer may, in its sole and absolute discretion in respect of such Notes, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares or ETI Interests which are not freely tradable, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or ETI Interests which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Noteholders, but in lieu thereof to make payment to the relevant Noteholder on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Redemption Amount**"). Notification of any such election will be given to Noteholders in accordance with Condition 16 and in the event that the Issuer elects to pay the Alternate Cash Redemption Amount such notice shall give details of the manner in which such amount shall be paid.

For purposes hereof, a "**freely tradable**" share or an ETI Interest shall mean (i) with respect to the United States, a share or an ETI Interest, as the case may be, 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 or an ETI Interest, as the case may be, and not purchased from an affiliate of the issuer of such share or an ETI Interest, as the case may be, or which otherwise

meets the requirements of a freely tradable share or an ETI Interest, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or an ETI Interest, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

(iv) *Rights of Noteholders and Calculations*

None of the Issuer, the Guarantor (if applicable), the Calculation Agent, any Delivery Agent and the Agents shall have any responsibility for any errors or omissions in any calculation or determination in respect of the Notes, unless, in the case of Italian Listed Notes, such errors or omissions are due to its own wilful misconduct or gross negligence.

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

(v) *Commodity Securities*

Commodity Securities shall not be redeemed by physical delivery and the provisions of this Condition 4(b) shall not apply to Commodity Securities.

(vi) *Italian Dematerialised Notes*

Italian Dematerialised Notes may not be redeemed by physical delivery Condition 4(b) will not apply to Italian Dematerialised Notes.

(c) *FX Disruption Event*

(i) If on (A) any Settlement Currency Exchange Rate Observation Date or (B) (other than in the case of a FX Disruption Event which is a Dual Exchange Rate Event, Illiquidity Disruption or an Unscheduled Holiday) if a Specified Exchange Rate is specified in the applicable Final Terms, the second Business Day prior to the due date for payment of any amount calculated using such Specified Exchange Rate, the Calculation Agent determines that a FX Disruption Event has occurred and is subsisting it will give notice (an "FX Disruption Notice") to the Noteholders in accordance with Condition 16 as soon as reasonably practicable thereafter and, in any event, prior to the relevant due date for payment of the relevant amount to be calculated using such Settlement Currency Exchange Rate or Specified Exchange Rate, as applicable.

(ii) Following the occurrence of a FX Disruption Event:

(A) the date for payment of the relevant amount to be calculated using the Settlement Currency Exchange Rate or Specified Exchange Rate, as applicable, will be postponed to the earlier of (i) the second Business Day following the date on which the Calculation Agent determines that a FX Disruption Event is no longer subsisting or (ii) the day falling thirty (30) calendar days following the scheduled due date for payment of such amount (the "Postponed DE Payment Date"); and

(B) (i) in the case of (A)(i) above, the Issuer will pay the relevant amount in the Settlement Currency on the Postponed DE Payment Date or (ii) in the case of (A)(ii) above, subject to paragraphs (iii), (iv) and (v) below, in lieu of paying the relevant amount in the Settlement Currency, the Issuer will pay the relevant

unconverted amount in the Specified Currency (each a "**Specified Currency Amount**") on the Postponed DE Payment Date.

- (iii) If the Issuer elects to pay the Specified Currency Amount as provided in paragraph (ii)(B) above it may (but is not obliged to) give notice to the Noteholders in accordance with Condition 16 (an "**Issuer Account Information Notice**") requesting from each Noteholder such information as it deems appropriate in order to pay the Specified Currency Amount to such Noteholder (including, inter alios, account information into which in the determination of the Calculation Agent the Specified Currency Amount may be paid). Upon receipt of an Issuer Account Information Notice, each Noteholder must deliver to the Calculation Agent in accordance with paragraph (vi) below with a copy to the Principal Paying Agent a notice (a "**Noteholder Account Information Notice**") not later than 20 calendar days following receipt of the Issuer Account Information Notice (the "**Account Information Cut-off Date**") specifying details of an account in which, in the determination of the Calculation Agent, the relevant Specified Currency Amount may be paid. If any Noteholder fails to deliver a valid Noteholder Account Information Notice by the Account Information Cut-off Date, the Issuer will pay or cause to be paid the relevant Specified Currency Amount as soon as practicable following receipt of the relevant Noteholder Account Information Notice. Provided That if any Noteholder fails to deliver a Noteholder Account Information Notice prior to the 40 calendar days following deemed receipt of the Issuer Account Information Notice, the Issuer shall be discharged from its obligation to pay to such Noteholder the Specified Currency Amount and shall have no further obligation or liability whatsoever in respect thereof.
- (iv) In the event that the Calculation Agent determines that it is unlawful, impossible or otherwise impracticable to pay any Specified Currency Amount (other than as a result of the failure to deliver a Noteholder Account Information Notice, if applicable) on the due date for payment thereof (a "**Non-Transferability Event**"), the Issuer shall notify the Noteholders in accordance with Condition 16 that such due date for payment has been postponed until the first date on which in the opinion of the Calculation Agent the relevant Non-Transferability Event is no longer subsisting.
- (v) Notwithstanding paragraphs (ii) to (iv) above, the Calculation Agent may, acting in a commercially reasonable manner, make such adjustment to the Conditions and/or the applicable Final Terms as it shall determine to be necessary or desirable to reflect or account for market practice relating to the occurrence of an FX Disruption Event. Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 16 stating the adjustment to the Conditions and/or the applicable Final Terms.
- (vi) Any Noteholder Account Information Notice from a Noteholder to the Calculation Agent will be validly given if delivered in writing to the Calculation Agent at the address specified for such purposes in the applicable Final Terms. Any such notice shall be deemed to have been given on the day when delivered or if delivered after 5.00 p.m. (London time) on any day or on any day on which commercial banks were not open for business in London, the first day thereafter on which commercial banks are open for business in London. The relevant Noteholder must provide satisfactory evidence to the Calculation Agent of its holding of the relevant Notes.

(vii) For the avoidance of doubt, no Interest Period will be adjusted as a result of the postponement of any interest payment pursuant to this Condition 4(c), and no additional interest will be paid in respect of any postponement of the date for payment..

(viii) For these purposes "FX Disruption Event" means the occurrence of any of the following events:

(A) an Inconvertibility Event;

(B) a Dual Exchange Rate Event;

(C) an Illiquidity Disruption; or

(D) an Unscheduled Holiday.

Where:

(E) "Dual Exchange Rate Event" means, with respect to any Settlement Currency Exchange Rate that the Settlement Currency Exchange Rate or any component rate of exchange thereof splits into dual or multiple currency exchange rates.

(F) "Illiquidity Disruption" means, in relation to a Settlement Currency Exchange Rate, the occurrence of an event on a Settlement Currency Observation Date (or, if different, the day on which rates for that Settlement Currency Observation Date would, in the ordinary course, be published or announced by the relevant price source) which makes it impossible to obtain a firm quote of the Settlement Currency Exchange Rate for an amount to be determined by the Calculation Agent (either in one transaction or a commercially reasonable number of transactions that, when taken together, total such amount determined by the Calculation Agent);

(G) "Inconvertibility Event" means the occurrence of any event or existence of any condition that has the effect of it being impossible, illegal or impracticable for, or has the effect of prohibiting, restricting or materially delaying the ability of the Issuer and/or any of its Affiliates (I) to convert the Specified Currency into the Settlement Currency through customary legal channels; (II) to effect currency transactions on terms as favourable as those available to residents of the Reference Jurisdiction; or (III) to freely and unconditionally transfer or repatriate funds (in the Specified Currency or the Settlement Currency) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or between accounts inside the Reference Jurisdiction.

(H) "Reference Jurisdiction" means the jurisdiction specified as such in the applicable Final Terms.

(I) "Unscheduled Holiday" means, in respect of any Settlement Currency Exchange Rate Observation Date, any date on which such date is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9.00 a.m. local time in the principal financial centre of the Specified Currency or Settlement Currency (which, if the Specified Currency or Settlement Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) two Business Days prior to such day.

5. REDEMPTION AND PURCHASE

5.1 Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note (other than a Credit Security) will be redeemed by the Issuer at its relevant Final Redemption Amount on the Maturity Date specified in the applicable Final Terms or, if ~~Physical Settlement is specified as applicable in the applicable Final Terms (each such Note a "Physical Delivery Note")~~ the Notes are Physical Delivery Notes by delivery of the Entitlement (as provided in Condition 4(b) above). This Note may not be redeemed other than in accordance with these Conditions. If the Notes are Italian Dematerialised Notes, the relevant Issuer shall on the Maturity Date pay or cause to be paid the Final Redemption Amount by credit or transfer to the Holder's account at Monte Titoli for value on the Maturity Date.

The "**Final Redemption Amount**", in respect of each nominal amount of Notes equal to the Calculation Amount, shall be an amount calculated by the Calculation Agent equal to:

(i) Calculation Amount x the percentage or (ii) the Final Payout, in each case as specified in the applicable Final Terms,

Provided That, (i) if the Notes are Dual Currency Redemption Notes, the product of the above formula will be converted into the Settlement Currency as provided in Condition 5.12 below and (ii) if the product of the Final Payout is zero, no amount shall be payable on final redemption of the Note.

The "**Entitlement**" shall be the quantity of the Relevant Asset(s) equal to the Entitlement Amount specified in the applicable Final Terms.

5.2 Redemption for Taxation Reasons

The provisions of this Condition 5.2 shall not apply in the case of Notes if Condition 6.4 is specified as applicable in the applicable Final Terms.

- (a) If the Issuer or the Guarantor (if applicable) would, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France (in the case of payments by BNPP), the Netherlands (in the case of payments by BNPP B.V.), Luxembourg (in the case of payments by BP2F), any Tax Jurisdiction (as defined in Condition 6.3) (in the case of payments by BGL) or Belgium (in the case of payments by BNPPF) or in each case any other authority thereof or therein be required to pay additional amounts as provided in Condition 6, the Issuer may at its option at any time (in the case of Notes other than Floating Rate Notes, Linked Interest Notes, or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Linked Interest Notes or Dual Currency Interest Notes) on giving not more than 45 nor less than 30 days' notice to the Noteholders (in accordance with Condition 16) which notice shall be irrevocable, redeem all, but not some only, of the Notes at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment without withholding for such taxes.
- (b) If the Issuer or the Guarantor (if applicable) would, on the next due date for payment of any amount in respect of the Notes, be prevented by French law (in the case of payments by BNPP), Dutch law (in the case of payments by BNPP B.V.), Luxembourg law (in the case of payments by BP2F), the laws or regulations of any Tax Jurisdiction (as defined in Condition 6.3) (in the case of payments by BGL) or Belgium law (in the case of payments by BNPPF) from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 6, then the Issuer shall forthwith give

notice of such fact to the Principal Paying Agent and shall at any time (in the case of Notes other than Floating Rate Notes, Linked Interest Notes or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Linked Interest Notes or Dual Currency Interest Notes) redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, upon giving not less than 7 nor more than 45 days' prior notice to the Noteholders (in accordance with Condition 16), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable in respect of the Notes or, if such date is already past, as soon as practicable thereafter.

5.3 Redemption at the Option of the Issuer (Issuer Call Option)

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may having given not less than the minimum notice period nor more than the maximum notice period specified in the applicable Final Terms (the "**Notice Period**") notice to the Noteholders in accordance with Condition 16, (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding at the Optional Redemption Amount on any Optional Redemption Date specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any partial redemption must be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount. The "**Optional Redemption Amount**", in respect of each nominal amount of Notes equal to the Calculation Amount, shall be an amount calculated by the Calculation Agent equal to:

(i) Calculation Amount x the percentage or (ii) the Call Payout, as specified in the applicable Final Terms,

Provided That if the product of the Call Payout is zero, no amount shall be payable on redemption of such Note.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**") ~~and~~ (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and (iii) in the case of Italian Dematerialised Notes, be governed by the standard procedures of Monte Titoli. 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 16 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes.

5.4 Redemption at the Option of the Noteholders (Noteholder Put Option)

If Noteholder Put Option is specified in the applicable Final Terms, upon a Noteholder giving to the Issuer in accordance with Condition 16 not less than the minimum notice period nor more than the maximum notice period specified in the applicable Final Terms (the "**Notice Period**") notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note at the Optional Redemption Amount on the Optional Redemption Date

specified in the applicable Final Terms, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. The "**Optional Redemption Amount**" shall be an amount calculated by the Calculation Agent equal to:

(i) Calculation Amount x the percentage or (ii) the Put Payout, as specified in the applicable Final Terms,

Provided That if the product of the Put Payout is zero, no amount shall be payable on redemption of such Note.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg or the CMU, to exercise the right to require redemption of this Note the relevant Noteholder must deliver at the specified office of the Registrar or, as the case may be, any Paying Agent at any time during normal business hours of such Registrar or 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 the Registrar or any Paying Agent (a "**Put Notice**") and in which the Noteholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition, accompanied by this Note or evidence satisfactory to the Registrar or the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control in accordance with the Note Agency Agreement. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or the CMU, to exercise the right to require redemption of this Note the relevant Noteholder must, within the Notice Period, give notice to the Registrar or Paying Agent or the CMU Lodging Agent concerned of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or the CMU (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or the CMU Lodging Agent or any common depositary or common safekeeper, as the case may be, for them to the Registrar or Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg or the CMU from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly. If this Note is an Italian Dematerialised Note held through Monte Titoli to exercise the right to require redemption of the Note the Holder of the Note must, within the Notice Period, give notice to the Italian Agent of such exercise in accordance with the standard procedures of Monte Titoli in a form acceptable to Monte Titoli.

Any Put Notice given by a Noteholder pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 8.

5.5 Early Redemption

For the purposes of paragraph 5.2 above, Condition 8 and any circumstances where the Notes are to be redeemed prior to their Maturity Date at their Early Redemption Amount (as defined below), each Note will be redeemed at an amount (the "**Early Redemption Amount**") calculated as follows, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable:

- (a) in the case of a Note (other than a Zero Coupon Note or a Note whose Early Redemption Amount is linked to an index, a formula or other Underlying Reference) with a Final Redemption Amount equal to its nominal amount, at the Final Redemption Amount thereof; or
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount ~~or which is or may be lesser or greater than its nominal amount or which is payable in a Specified Currency other than that in which the Note is denominated or a Note whose~~ interest, coupon, premium or other interim payment which is linked to an index, a formula or other Underlying Reference, at the

percentage of the Calculation Amount specified in the applicable Final Terms or, if "Market Value less Costs" is specified in the applicable Final Terms at the fair market value less associated costs; or

- (c) in the case of a Zero Coupon Note the Early Redemption Amount of which is not linked to an index, a formula or other Underlying Reference at an amount (the "**Amortised Face Amount**") equal to the sum of:
 - (i) the Reference Price specified in the applicable Final Terms; and
 - (ii) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed in such incomplete month.

5.6 **Purchases**

The Issuer, the Guarantor (if any) or any of their respective subsidiaries may, but is not obliged to, at any time purchase Notes (together with (in the case of definitive Bearer Notes of this Series) all unmatured Receipts or Coupons appertaining thereto) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or surrendered for cancellation.

5.7 **Cancellation**

All Notes which are redeemed or purchased by the Issuer to be cancelled will forthwith be cancelled (together, in the case of definitive Bearer Notes, with all unmatured Coupons and Receipts presented therewith) and accordingly may not be re-issued or resold.

5.8 **Instalments**

Each Note in definitive form which is redeemable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. All instalments (other than the final instalment) will be paid by surrender of, in the case of a definitive Bearer Note, the relevant Receipt (which must be presented with the Note to which it appertains) and, in the case of a definitive Registered Note, the relevant Note and issue of a new Note in the nominal amount remaining outstanding, all as more fully described in Condition 4.

5.9 **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 paragraph 5.2, 5.3 or 5.4 above 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 paragraph 5.5(c) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (b) the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 16.

5.10 **Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition 5.

5.11 **Payout Switch**

If Payout Switch is specified as applicable in the applicable Final Terms (i) if Payout Switch Election is specified as applicable in the applicable Final Terms, the Issuer may in its sole and absolute discretion elect that or (ii) if Automatic Payout Switch is specified as applicable in the applicable Final Terms and an Automatic Payout Switch Event occurs, the Redemption/Payment Basis for the Notes will be amended (a "**Payout Switch**") from the Redemption/Payment Basis specified in the Final Terms to the Switched Payout specified in the applicable Final Terms on and after the Payout Switch Date specified in the applicable Final Terms. Notice of any Payout Switch will be given to Noteholders in accordance with Condition 16.

"**Automatic Payout Switch Event**" means that the SPS APS Value is (a) "greater than", (b) "equal to or greater than", (c) "less than" or (d) "less than or equal to", as specified in the applicable Final Terms, the Automatic Payout Switch Level, (x) on a SPS APS Valuation Date or (y) in respect of a SPS APS Valuation Period, as specified in the applicable Final Terms;

"**Automatic Payout Switch Level**" means the number, amount, level or percentage specified as such in the applicable Final Terms;

"**SPS APS Value**" means the value from Payout Condition 2.6, 2.7, 2.8, 2.9 or 2.10 specified as such in the applicable Final Terms;

"**SPS APS Valuation Date**" means each Averaging Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms; and

"**SPS APS Valuation Period**" means each period specific as such in the applicable Final Terms.

5.12 **Dual Currency Redemption Notes**

If the Notes are specified in the applicable Final Terms as Dual Currency Redemption Notes, any amount payable on the redemption of the Notes will be converted into the Settlement Currency at the Specified Exchange Rate specified in the applicable Final Terms or, if no Specified Exchange Rate is specified, the Settlement Currency Exchange Rate on the relevant Settlement Currency Exchange Rate Observation Date.

References to "principal" in this Condition 5.12 shall be deemed to include, as applicable:

(i) any additional amounts which be payable with respect to principal under Condition 6;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) the Instalment Amounts;

(vi) the Automatic Early Redemption Amount (if any) of the Notes;

(vii) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5.5); and

(viii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

5.13 Redemption in part of Italian Dematerialised Notes

Notwithstanding any provision to the contrary in the Conditions, any redemption of the Notes in part must be in accordance with the standard procedures of Monte Titoli.

6. TAXATION

6.1 Notes issued by BNPP B.V.

Subject to Condition 6.4, in the case of Notes issued by BNPP B.V., all payments in respect of such Notes, Receipts and Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In the event that any amounts are required to be deducted or withheld for, or on behalf of, any Tax Jurisdiction, the Issuer or, as the case may be, the Guarantor shall, to the fullest extent permitted by law, pay such additional amount as may be necessary, in order that each Noteholder, Receiptholder or Couponholder, after deduction or withholding of such taxes, duties, assessments or governmental charges, will receive the full amount then due and payable provided that no such additional amount shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his being connected with the Netherlands (in the case of payments by BNPP B.V.) or France (in the case of payments by the Guarantor) other than by the mere holding of such Note, Receipt or Coupon; or
- (b) 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 4(a)); or
- (c) where such withholding or deduction is imposed on a payment to an individual beneficial owner or a residual entity and is required to be made pursuant to Council Directive 2003/48/EC on the taxation of savings income or any law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder 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.

In these Terms and Conditions:

- (x) **Tax Jurisdiction** means France or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BNPP as Guarantor) or the Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by BNPP B.V.); and
- (y) the **Relevant Date** means the date on which the relevant 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 16.

6.2 Notes issued by BP2F

Subject to Condition 6.4, in the case of Notes issued by BP2F, all payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or (if the Guarantee were called) the Guarantor will be made without deduction or withholding for, or on account of, any present or future taxes or duties of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or any political subdivision thereof or any authority or agency therein or thereof having the power to tax or, where applicable, (in the case of the Guarantor) Belgium or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders or, as the case may be, the Couponholders after such deduction or withholding shall equal the respective amounts which would have been receivable under these Conditions in respect of the Notes or, as the case may be, Coupons by the Noteholders and (if applicable) the Couponholders in the absence of such deduction or withholding, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment in Belgium; or
- (ii) to, or to a third party on behalf of, a holder who is able to avoid such withholding or deduction by placing such Note or Coupon in safe custody with a Belgian bank and by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) to, or to a third party on behalf of, a holder where such holder is liable to such taxes or duties in respect of such Note or Coupon by reason of its having some connection with Belgium other than by reason only of the holding of such Note or Coupon or the receipt of the relevant payment in respect thereof; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or
- (v) where such withholding or deduction is imposed on a payment to an individual or a residual entity within the meaning of the Council Directive 2003/48/EC and is required to be made pursuant to (i) Council Directive 2003/48/EC on the taxation of savings income or any law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive, (ii) the law of 23 December 2005 (as amended) introducing a 10 per cent. withholding tax as regards Luxembourg resident individuals and (iii) the agreements on savings income concluded by the State of Luxembourg with several dependant or associated territories of the EU (including Jersey, Guernsey, the Isle of Man, the British Virgin Islands, Montserrat, the Dutch Antilles and Aruba); or
- (vi) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, **provided that**

payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts which may be payable under this Condition.

Notwithstanding any other provisions contained herein, the relevant Issuer (or, if applicable, the Guarantor) shall be permitted to withhold or deduct any amounts required by the rules of Sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding. The relevant Issuer (or, if applicable, the Guarantor) will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Issuer, the paying agent or any other party.

6.3 **Notes issued by BGL**

Subject to Condition 6.4, in the case of Notes issued by BGL, all payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes 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 or Coupon:

- (a) presented for payment to, or to a third party on behalf, of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (b) 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; or
- (c) where such withholding or deduction imposed on a payment is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used in these conditions:

- (A) "**Tax Jurisdiction**" means the Grand Duchy of Luxembourg, the jurisdiction in which the Specified Branch (if any) is located or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any

authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons; and

- (B) the "**Relevant Date**" 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 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 16.

6.4 **No Gross-up**

If Condition 6.4 is specified as applicable in the applicable Final Terms, neither the Issuer nor the Guarantor (if any) shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer or the Guarantor (if any) shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

7. **REDENOMINATION**

7.1 **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 Principal Paying Agent, Euroclear ~~and~~, Clearstream, Luxembourg and Monte Titoli and at least 30 days' prior notice to the Noteholders in accordance with Condition 16 (and, in the case of Italian Dematerialised Notes, in accordance with the standard procedures of Monte Titoli), 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 Principal Paying 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 presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Noteholder 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 Principal Paying Agent may approve) euro 0.01 and such other denominations as the Principal Paying 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 Principal Paying 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 Settlement~~ 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 or, at the option of the payee, by a euro cheque;
- (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 by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;
- (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 Principal Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

7.2 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**" 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 7.1 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.

8. EVENTS OF DEFAULT AND ENFORCEMENT

8.1 Events of Default

(a) Notes issued by BNPP B.V.

In the case of Notes issued by BNPP B.V., a Noteholder may give written notice to the Issuer and the Principal Paying Agent that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, together, if appropriate, with interest accrued to the date of repayment, in any of the following events ("**Events of Default**"):

- (i) the Issuer fails to pay any amount payable in respect of the Notes or any of them when due and payable and such default is not remedied within 30 days after the relevant due date; or
- (ii) the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Notes and such default is not remedied within 45 days after notice of such default has been given to the Principal Paying Agent by any Noteholder; or
- (iii) BNPP ceases its payments, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of BNPP or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer or Guarantor is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer or Guarantor makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Issuer or Guarantor for its winding-up or dissolution, except in connection with a merger or other reorganisation in which all of the Issuer's or the Guarantor's assets are transferred to, and all of the Issuer's or Guarantor's debts and liabilities (including the Notes) are assumed by, another entity which continues the Issuer's or Guarantor's activities.

(b) Notes issued by BP2F

In the case of Notes issued by BP2F, if any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Note may give written notice to the Principal Paying Agent that such Note is immediately repayable at the Early Redemption Amount together with accrued interest to the date of payment shall become immediately due and payable unless prior to the date that such written notice is received by the Principal Paying Agent the relevant Issuer or, where applicable, the Guarantor shall have cured or the relevant Issuer or, where applicable, the Guarantor shall otherwise have made good all Events of Default in respect of the Notes:

- (i) default in the payment of any principal or interest due in respect of the Notes or any of them and such default continuing for a period of 30 days; or
- (ii) default by the Issuer or the Guarantor in the due performance or observance of any other obligation, condition or other provision under or in relation to the Notes or the Guarantee, as the case may be, if such default is not cured within 45 days after receipt by the Principal Paying Agent of written notice thereof given by any Noteholder requiring the same to be remedied; or
- (iii) default by the Issuer or the Guarantor in the payment of the principal of, or premium or prepayment charge (if any) or interest on, any other loan indebtedness of or assumed or guaranteed by the Issuer or the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if

any, originally applicable thereto and the time for payment of such interest or principal has not been effectively extended, or in the event that any loan indebtedness of or assumed by the Issuer or the Guarantor (which indebtedness in the case of the Guarantor has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency or currencies), shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of an event of default thereunder; or

- (iv) the Issuer is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes or the Guarantor is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Notes, except as a result of a Permitted Reorganisation, or the Issuer ceases to be a subsidiary of the Guarantor (save in the case of a substitution pursuant to Condition 19 where the substitute is the Guarantor); or
- (v) the Issuer or the Guarantor becomes insolvent, is unable to pay its debts generally (or in the case of the Guarantor is in *staking van betaling/cessation de paiements* (suspension of payments)) as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or ceases or threatens to cease to carry on its business, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer or the Guarantor, or if the Issuer or the Guarantor commences a voluntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, consents to the entry of an order for relief in any involuntary case or other proceeding under any such law as to the appointment of or the taking possession by a trustee, receiver, liquidator, custodian, assignee, sequestrator or similar official of the Issuer or the Guarantor or of any substantial part of its property or as the winding up or liquidation of the Issuer, or if the Guarantor applies for a *liquidation/vereffening* (liquidation) or *faillite/faillissement* (bankruptcy) or any procedures having similar or equivalent effect shall have been initiated in respect of the Issuer or the Guarantor; or
- (vi) a court having jurisdiction in the premises enters a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a trustee, receiver, liquidator, custodian, assignee, sequestrator or other similar official of the Issuer or the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed in effect for a period of 30 consecutive days; or
- (vii) it becomes unlawful for the Issuer or the Guarantor to perform any of their respective obligations under the Notes or the Guarantees, or any of their obligations ceases to be valid, binding or enforceable; or
- (viii) the Guarantee is not or is claimed by the Guarantor not to be in full force and effect in accordance with their terms.

In this Condition:

"Permitted Reorganisation" means an amalgamation, merger, consolidation, reorganisation or other similar arrangement entered into by the Guarantor under which:

- (i) the whole of the business, undertaking and assets of the Guarantor are transferred to and all the liabilities and obligations of the Guarantor are assumed by the new or surviving entity either:
 - (A) automatically by operation of applicable law; or

- (B) the new or surviving entity assumes all the obligations of the Guarantor under the terms of the Note Agency Agreement, the Notes and the Guarantee as fully as if it had been named in the Note Agency Agreement, the Notes and the Guarantee in place of the Guarantor; and, in either case,
- (ii) the new or surviving entity will immediately after such amalgamation, merger, consolidation, reorganisation or other similar arrangement be subject to a European Union regulatory authority.

Any such notice by a Noteholder to the Principal Paying Agent shall specify the serial number(s) of the Note(s) concerned.

(c) **Notes issued by BGL**

In the case of Notes issued by BGL, if any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Note may give written notice to the Principal Paying Agent at its specified office that such Note is immediately repayable, whereupon the same shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentation, demand, protest or other notice of any kind:

- (i) default is made for more than 14 days (in the case of interest) or 7 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
- (ii) the Issuer defaults in performance or observance of, or compliance with, any of its other obligations in the Notes which default is incapable of remedy or which, if capable of remedy, is not remedied within 21 days after notice of such default shall have been given to the Principal Paying Agent at its specified office by any Noteholder; or
- (iii) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer and is not stayed or discharged within 21 days; or
- (iv) any present or future mortgage, charge, pledge, lien or other encumbrance on or over all or a material part of the property, assets or revenues of the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager, administrator or other similar person) and such enforcement or step is not stayed or discharged within 21 days; or
- (v) (A) if any judgment has been rendered by any competent court for the liquidation (*liquidation judiciaire*) or the opening of a regime of suspension of payment (*sursis de paiement*) of the Issuer; or (B) if the Issuer makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or (C) if an effective voluntary resolution is passed for the dissolution (*dissolution*) and liquidation (*liquidation*) of the Issuer (in each case save for the purposes of amalgamation, merger, consolidation, reorganisation or similar arrangement upon which all the assets of the Issuer are transferred to and all its debts and liabilities assumed by the continuing entity or entity formed as a result of such merger or reorganisation); or
- (vi) the Issuer ceases to carry on business (except for the purpose of any amalgamation, merger or other reorganisation under which the continuing or successor corporation has assumed all of the assets and business undertakings of the Issuer pursuant to Condition 19 and has expressly and effectively assumed the obligations of the Issuer under the Notes); or
- (vii) (A) any loan or other present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised and not being money deposited with the Issuer or transferred pursuant to a

fiduciary contract within the meaning of the Luxembourg Law of 27 July 2003 on the Trust and Fiduciary Contracts, as amended or otherwise borrowed in the ordinary course of business of the Issuer ("**Relevant Indebtedness**") becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or the creditor thereof, or (B) the Issuer fails to make any payment in respect of Relevant Indebtedness on the due date for such payment as extended by any applicable grace period or (C) default is made by the Issuer in making any payment due under any present or future guarantee and/or indemnity given by it of, or in respect of, Relevant Indebtedness, provided that the aggregate amount of the Relevant Indebtedness in respect of which one or more of the events mentioned above in this paragraph (vii) have occurred equals or exceeds EUR 15,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates).

~~(vii)~~

9. ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS

9.1

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption, unless otherwise specified otherwise 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;

"**Cancellation Event**" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Notes;

"**Change in Law**" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Debt Instrument (in the case of Debt Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any Hedge;

"**Currency Event**" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the

Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Specified Currency or Settlement Currency, as applicable, or exchange or repatriate any funds in the Local Currency or the Specified Currency or Settlement Currency, as applicable, outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the ~~Specified-Settlement~~ Currency for payment under the Notes;

"Force Majeure Event" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Notes is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates, of all or substantially all of its assets in the Local Currency jurisdiction;

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

"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) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Notes;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the 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) or any futures or options contract on any Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, or, in respect of any Debt Securities, any relevant hedge positions relating to a Debt Instrument, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the

Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, or, in respect of any Debt Securities, any relevant hedge positions relating to a Debt Instrument, 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 component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) that is greater than the Initial Stock Loan Rate;

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

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

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the Notes or in respect of any relevant hedging arrangements in connection with the Notes (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Notes) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"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 component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) 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 component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

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

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such

percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent;

"**Trade Date**" has the meaning given to it in the applicable Final Terms.

9.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;
- (b) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 16, 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 such Note taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less, except in the case of Italian Listed Notes, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 16; or
- (c) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less, except in the case of Italian Listed Notes, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption 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 (x) 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 equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Calculation Amount; or
- (d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 16 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Notes and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be

effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or

- (e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

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

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

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "Substitution Date") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant date of the Additional Disruption Event and/or Optional Additional Disruption Event.

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

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

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and

(iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

(iii) In the case of Italian Listed Notes, notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes.

9.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 16 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto

9.39.4 Where the Notes are Italian Listed Notes, notwithstanding the foregoing, any reference to "fair market value" in Conditions 9.2(b) and 9.2(c) shall be deemed to be a reference to "Early Redemption Amount".

10. KNOCK-IN EVENT AND KNOCK-OUT EVENT

10.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Notes which is expressed in the Conditions to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

10.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Notes which is expressed in the Conditions to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

10.3 In respect of Index Securities, Share Securities, Debt Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Notes other than Custom Index Securities or Debt Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Notes or Debt Securities, a Custom Index Disruption Event or Market Disruption Event, as applicable, is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Custom Index Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

10.4 In respect of Commodity Securities or Currency Securities, 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 Commodity Disrupted Day or a Disrupted Day, as applicable, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such day being a Commodity Disrupted Day or a Disrupted Day, as the case may be or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

10.5 In respect of Notes other than Custom Index Securities or Debt Securities, 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 or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Notes other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

10.6 In respect of Debt Securities, 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 exchange on which the relevant Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded and if on any Knock-in Determination Day or Knock-out Determination Day and at any time at which the Level triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event has occurred or is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

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

"Knock-in Determination Day" means (a) each date, (b) each Scheduled Trading Day in the Knock-in Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-in Determination Period, (d) each Fund Business Day in the Knock-in Determination Period, (e) each Business Day in the Knock-in Determination Period, or (f) each Commodity Business Day in the Knock-in Determination Period, as specified in the applicable Final Terms;

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

"Knock-in Event" means:

- (a) if SPS Knock-in Valuation is specified as applicable in the applicable Final Terms, the Knock-in Value is; or
- (b) if SPS Knock-in Valuation is specified as not applicable in the applicable Final Terms:
 - (i) (in respect of a single Underlying Reference) that the Level is; or

- (ii) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable, (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms;

"Knock-in Level" means the FX Knock-in Level or the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities), a Custom Index Business Day (in the case of Custom Index Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Custom Index Business Day, Fund Business Day or Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities), a Custom Index Business Day (in the case of Custom Index Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Custom Index Business Day, Fund Business Day or Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels 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 the Relevant Adjustment Provisions;

"Knock-in Observation Price Source" means the source specified as such in the applicable Final Terms;

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

"Knock-in Value" means the value from Payout Condition 2.6, 2.7, 2.8, 2.9 or 2.10 specified as such in the applicable Final Terms;

"Knock-out Determination Day" means (a) each date, (b) each Scheduled Trading Day in the Knock-out Determination Period, (c) each Scheduled Custom Index Business Day in the Knock-out Determination Period, (d) each Fund Business Day in the Knock-out Determination Period, (e) each Business Day in the Knock-out Determination Period as specified in the applicable Final Terms or (f) each Commodity Business Day in the Knock-out Determination Period;

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

"Knock-out Event" means:

- (a) if SPS Knock-out Valuation is specified as applicable in the applicable Final Terms, the Knock-out Value is, or
- (b) if SPS Knock-out Valuation is specified as not applicable in the applicable Final Terms:
 - (i) (in respect of a single Underlying Reference) that the Level is; or
 - (ii) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference and (y) the relevant Weighting is,
 - (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms (x) on a Knock-out Determination Day or (y) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms;

"Knock-out Level" means the FX Knock-out Level or the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Observation Price Source" means the source specified as such in the applicable Final Terms;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Custom Index Business Day, Fund Business Day or Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, ETI Securities, Debt Securities or Currency Securities), a Commodity Business Day (in the case of Commodity Securities), a Custom Index Business Day (in the case of Custom Index Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Notes), the next following Scheduled Trading Day, Commodity Business Day, Custom Index Business Day, Fund Business Day or Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels 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 the Relevant Adjustment Provisions;

"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;

"Knock-out Value" means the value from Payout Condition 2.6, 2.7, 2.8, 2.9 or 2.10 specified as such in the applicable Final Terms;

"Level" means, for the purposes of this Condition 10, (i) the "official level", "official close", "last price", "traded price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms, published by the Knock in Observation Price Source or Knock-out Observation Price Source, as applicable, or (ii) if "Standard Level" is specified as applicable in the applicable Final Terms (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case determined by the Calculation Agent as of the Knock-in Valuation Time or Knock-out Valuation Time on any Knock-in Determination Day or Knock-out Determination Day, as applicable, or, in the case of the "official close" level, at such time as the official close is published by the Knock-in Observation Price Source or Knock-out Observation Price Source, as applicable;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption) and Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks);
- (f) in the case of Currency Securities, Currency Security Condition 2 (Disruption Events) and Currency Security Condition 3 (Consequences of a Disruption Event);
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future); and
- (h) in the case of Debt Securities, Debt Security Condition 3 (Market Disruption), Debt Security Condition 4 (Correction of Debt Instrument Price) and Debt Security Condition 5 (Redemption or Cancellation of a Debt Instrument); and

"Underlying Reference" means, for the purposes of this Condition 10, each Index, Custom Index, Share, Debt Instrument, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Notes relate.

11. AUTOMATIC EARLY REDEMPTION EVENT

- 11.1 If "Automatic Early Redemption" is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on (i) any Automatic Early Redemption Valuation Date or (ii) in respect of an Automatic Early Redemption Valuation Period, as specified in the applicable Final Terms, 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 at an amount equal to the relevant Automatic Early Redemption Amount.

Notwithstanding the preceding paragraph, an Automatic Early Redemption Event 1 may only occur on an AER 1 Redemption Valuation Date or in respect of an AER 1 Redemption Valuation Period and an Automatic Early Redemption Event 2 may only occur on an AER 2 Redemption Valuation Date or in respect of an AER 2 Redemption Valuation Period.

11.2 Definitions

"AER Event 1 Underlying(s)" means the Underlying Reference or each Underlying Reference comprising the Basket, in each case specified as such in the applicable Final Terms;

"AER Event 2 Underlying(s)" means the Underlying Reference or each Underlying Reference comprising the Basket, in each case specified as such in the applicable Final Terms;

"AER Rate" means the rate specified as such or determined in the manner set out in the applicable Final Terms;

"Automatic Early Redemption Amount" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in the Specified Currency equal to the Automatic Early Redemption Payout set out in the applicable Final Terms or if not set out an amount equal to the product of (i) the Calculation Amount and (ii) the relevant AER Rate relating to that Automatic Early Redemption Date. If the product of the Automatic Early Redemption Payout is zero, no amount shall be payable on redemption of the Note pursuant to this Condition;

"Automatic Early Redemption Date" means (i) if Target Automatic Early Redemption, FI Underlying Automatic Early Redemption or FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs, or, otherwise, (ii) each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the next following Business Day, and no Noteholder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Redemption Event" means:

- (a) if Target Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the Cumulative Coupon is equal to or greater than the Automatic Early Redemption Percentage;
- (b) if FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the Underlying Reference Level is (i) equal to or greater than the Automatic Early Redemption Percentage Down and (ii) less than or equal to the Automatic Early Redemption Percentage Up;
- (c) if FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms, that the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case in respect of the Current Interest Period is equal to or greater than the Automatic Early Redemption Percentage; or
- (d) if Standard Automatic Early Redemption and SPS AER Valuation are specified as applicable in the applicable Final Terms, that:
 - (i) the SPS AER Value 1 in respect of the AER Event 1 Underlying(s) is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Automatic Early Redemption Level 1 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 1**"); and/or (as specified in the applicable Final Terms)

- (ii) if Automatic Early Redemption Event 2 is specified as applicable in the applicable Final Terms, the SPS AER Value 2 in respect of the AER Event 2 Underlying(s) is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Automatic Early Redemption Level 2 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 2**");
- (e) if Standard Automatic Early Redemption is specified as applicable in the applicable Final Terms and SPS AER Valuation is specified as not applicable in the applicable Final Terms:
 - (i) (A) if AER Event 1 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 1 or (B) if AER Event 1 Basket is specified as applicable in the applicable Final Terms, the Basket Price 1 is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Automatic Early Redemption Level 1 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 1**"); and/or (as specified in the applicable Final Terms)
 - (ii) if Automatic Early Redemption Event 2 is specified as applicable in the applicable Final Terms (A) if AER Event 2 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 2 or (B) if AER Event 2 Basket is specified as applicable in the applicable Final Terms, the Basket Price 2 is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Automatic Early Redemption Level 2 as specified in the applicable Final Terms (the "**Automatic Early Redemption Event 2**");

"**Automatic Early Redemption Level**" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**Automatic Early Redemption Level 1**" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**Automatic Early Redemption Level 2**" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**Automatic Early Redemption Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Automatic Early Redemption Percentage Down**" means the percentage specified as such in the applicable Final Terms;

"**Automatic Early Redemption Percentage Up**" means the percentage specified as such in the applicable Final Terms;

"**Automatic Early Redemption Valuation Date**" means each date specified as such in the applicable Final Terms (including the AER 1 Redemption Valuation Date and AER 2 Redemption Valuation Date (if any)) or, if such date is not a Scheduled Trading Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, Debt Securities or ETI Securities, a Custom Index Business Day (in respect of Custom Index Securities), a Commodity Business Day (in respect of Commodity Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Notes), as applicable, the next following Scheduled Trading Day, Custom Index Business Day, Commodity Business Day, Fund Business

Day or Business Day, as applicable, unless, in the case of Index Securities, Share Securities, Commodity Securities, Debt Securities or ETI Securities, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Securities (other than Custom Index Securities), Share Securities, Debt Securities or ETI Securities, a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Automatic Early Redemption Valuation Date";

"Automatic Early Redemption Valuation Period" means the period (including the AER 1 Redemption Valuation Period and AER 2 Redemption Valuation Period (if any)) specified as such in the applicable Final Terms;

"Automatic Early Redemption Valuation Time" means the time specified as such in the applicable Final Terms;

"Basket of Underlying References" means, for the purposes of this Condition 11, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Instruments, Basket of Commodities, Basket of Futures or other basis of reference to which the value of the relevant Notes may relate, as specified in the applicable Final Terms;

"Basket Price 1" means, in respect of any AER 1 Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AER Event 1 Underlying comprising the Basket as the product of (a) the Underlying Reference Level 1 of such AER Event 1 Underlying on such AER 1 Redemption Valuation Date and (b) the relevant Weighting;

"Basket Price 2" means, in respect of any AER 2 Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AER Event 2 Underlying comprising the Basket as the product of (a) the Underlying Reference Level 2 of such AER Event 2 Underlying on such AER 2 Redemption Valuation Date and (b) the relevant Weighting;

"Cumulative Coupon" means, in respect of an Automatic Early Redemption Valuation Date, (a) the sum of the values calculated for each Interest Period preceding the Current Interest Period as the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for such Interest Period plus (b) the product of (i) the Rate of Interest and (ii) the Day Count Fraction, in each case for the Current Interest Period;

"Current Interest Period" means, in respect of an Automatic Early Redemption Valuation Date, the Interest Period during which such Automatic Early Redemption Valuation Date falls;

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Multiple Underlying Interest Rate Gearing" means, in respect of an Underlying Interest Rate_(i) specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

"Multiple Underlying Reference Rate" means, in respect of an Underlying Interest Rate_(i) specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate;

"**Multiple Underlying Reference Rate Value**" means the value calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Multiple Underlying Interest Gearing}_{(i)} \times \text{Multiple Underlying Reference Rate}_{(i)}$$

"**Relevant Adjustment Provisions**" means:

- (a) in the case of Index Securities, Index Security Condition 2 (*Market Disruption*) and Index Security Condition 3 (*Adjustments to an Index*);
- (b) in the case of Custom Index Securities, Index Security Condition 6 (*Adjustments to a Custom Index and Custom Index Disruption*);
- (c) in the case of Share Securities, Share Security Condition 2 (*Market Disruption*), Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 4 (*Extraordinary Events*);
- (d) in the case of ETI Securities, ETI Security Condition 2 (*Market Disruption*) and ETI Security Condition 3 (*Potential Adjustment Events*);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (*Market Disruption*), Commodity Security Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) and Commodity Security Condition 4 (*Adjustments to a Commodity Index*);
- (f) in the case of Currency Securities, Currency Security Condition 3 (*Consequences of a Disruption Event*);
- (g) in the case of Futures Securities, Futures Security Condition 3 (*Adjustments to a Future*); and
- (h) in the case of Debt Securities, Debt Security Condition 3 (*Market Disruption*), Debt Security Condition 4 (*Correction of Debt Instrument Price*) and Debt Security Condition 5 (*Redemption or Cancellation of a Debt Instrument*);

"**SPS AER Value 1**" means the value specified from Payout Condition 2.6, 2.7, 2.8, 2.9 or 2.10 specified as such in the applicable Final Terms;

"**SPS AER Value 2**" means the value specified from Payout Condition 2.6, 2.7, 2.8, 2.9 or 2.10 specified as such in the applicable Final Terms;

"**Underlying Reference**" means, for the purposes of this Condition 11, each Index, Custom Index, Share, ETI Interest, Debt Instrument, Commodity, Commodity Index, Subject Currency, Future, Fund, Underlying Interest Rate or other basis of reference to which the relevant Notes relate. If two or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest Rate_(i) specified as such (together the "**Multiple Underlying Interest Rate**") will be calculated separately and independently but for the purposes of this Condition 11 and the Underlying Interest Rate Security Conditions shall be deemed to together constitute an Underlying Reference;

"**Underlying Reference Level**" means, in respect of any Automatic Early Redemption Valuation Date, (i) "official level", "official close", "last price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms published by the Observation Price Source or (ii) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case

of Commodity Securities, the Relevant Price, (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), (e) in the case of an Inflation Index, the Relevant Level, (f) in the case of an Underlying Interest Rate, the Underlying Reference Rate, (g) if FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms and Multiple Underlying Interest Rate is specified as applicable, Multiple Underlying Reference Rate Value, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such Automatic Early Redemption Valuation Date or, in the case of the "official close" level, at such time on such Automatic Early Redemption Valuation Date as the "official close" level is published by the Observation Price Source;

"Underlying Reference Level 1" means, in respect of any AER 1 Redemption Valuation Date, (i) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant AER Event 1 Underlying, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant AER Event 1 Underlying, (c) in the case of Commodity Securities, the Relevant Price, (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), or (e) in the case of an Inflation Index, the Relevant Level, (f) in the case of an Underlying Interest Rate, the Underlying Reference Rate, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such AER 1 Redemption Valuation Date or (ii) in the case of Debt Securities, the "last price" of the relevant AER Event 1 Underlying published by the Observation Price Source specified for such AER Event 1 Underlying; and

"Underlying Reference Level 2" means, in respect of any AER 2 Redemption Valuation Date, (i) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms, (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant AER Event 2 Underlying, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant AER Event 2 Underlying, (c) in the case of Commodity Securities, the Relevant Price, (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), (e) in the case of an Inflation Index, the Relevant Level, or (f) in the case of an Underlying Interest Rate, the Underlying Reference Rate, in each case, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such AER 2 Redemption Valuation Date or (ii) in the case of Debt Securities, the "last price" of the relevant AER Event 2 Underlying published by the Observation Price Source specified for such AER Event 2 Underlying.

11.3 Accrual

Notwithstanding Condition 3.12, if FI Underlying Automatic Early Redemption and Accrual to Automatic Early Redemption are specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs on an Automatic Early Redemption Valuation Date, interest will cease to accrue on such Automatic Early Redemption Valuation Date.

11.4 AER Rate Determination

Where the applicable Final Terms specify that the AER Rate is determined by reference to a Screen Rate the AER Rate 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 AER Reference Rate(s) which appears or appear, as the case may be, on the AER Screen Page as at the AER Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the AER Reference Rate Determination Date in question plus or minus (as indicated in the applicable Final Terms) the AER Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the AER 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 Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the AER Screen Page is not available or if, in the case of subparagraph (a), no offered quotation appears or, in the case of subparagraph (b), fewer than three offered quotations appear, in each case as at the AER Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the AER Reference Rate at approximately the AER Specified Time on the AER Reference Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the AER Rate shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the AER Margin (if any), all as determined by the Calculation Agent.

If on any AER Reference Rate Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the AER Rate shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the AER Specified Time on the relevant AER Reference Rate Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the AER Reference Rate by leading banks in the inter-bank market applicable to the AER Reference Rate (which will be the London inter-bank market, if the AER Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the AER Reference Rate is EURIBOR) plus or minus (as appropriate) the AER Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the AER Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the AER Reference Rate, at which, at approximately the AER Specified Time on the relevant AER Reference Rate Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the AER Reference Rate (which will be the London inter-bank market, if the AER Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the AER Reference Rate is EURIBOR) plus or minus (as appropriate) the AER Margin (if any).

If the applicable Final Terms specifies a Minimum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is less than such Minimum AER Reference Rate, the AER Rate shall be such Minimum AER Reference Rate.

If the applicable Final Terms specifies a Maximum AER Reference Rate then, in the event that the AER Reference Rate determined in accordance with the above provisions is greater than such Maximum AER Reference Rate, the AER Rate shall be such Maximum AER Reference Rate.

12. DEFINITIONS

"**Averaging Date**" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 2)), Share Securities, ETI Securities, Debt Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant value, level, price or amount 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 the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
 - (iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:
 - (A) where the Notes are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant value, level price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
 - (B) where the Notes are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal

to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date then (I) 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, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant value, level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; or

- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) shall apply;

"Account Information Cut-off Date" has the meaning given to such term in Condition 4(c).

"Dual Exchange Rate Event" has the meaning given to such term in Condition 4(c).

"FX Disruption Event" has the meaning given to such term in Condition 4(c).

"FX Disruption Notice" has the meaning given to such term in Condition 4(c).

"Illiquidity Disruption" has the meaning given to such term in Condition 4(c).

"Inconvertibility Event" has the meaning given to such term in Condition 4(c).

"Issuer Account Information Notice" has the meaning given to such term in Condition 4(c).

"Italian Dematerialised Notes" has the meaning given to such term in Condition 1.1.

"Italian Listed Notes" means Notes which are listed and admitted to trading on the MOT Market, organised and managed by Borsa Italiana S.p.A.

"Monte Titoli" has the meaning given to such term in Condition 1.1.

"Non-Transferability Event" has the meaning given to such term in Condition 4(c).

"Noteholder Account Information Notice" has the meaning given to such term in Condition 4(c).

"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 (in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities) or Commodity Business Day (in the case of Commodity Securities), the immediately following Scheduled Trading Day or Commodity Business Day, as applicable. The provisions contained in the definition of "Averaging Date" shall apply if any such day is a Disrupted Day or, in the case of Commodity Securities, a day on which a Market Disruption Event has occurred or is continuing, *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date" unless Observation Day Disruption Consequences is specified as not applicable in the applicable Final Terms, in which case such date will be an Observation Date notwithstanding the occurrence of a Disrupted Day and (i) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, the provisions of (a)(i)(B) or (a)(ii)(B), as applicable, of the

definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on such Observation Date as if such Observation Date were a Valuation Date that was a Disrupted Day or (ii) in the case of Commodity Securities the provisions of Commodity Security Condition 3 (*Consequences of a Market Disruption Event and Disruption Fallbacks*) will apply;

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

"Postponed DE Payment Date" has the meaning given to such term in Condition 4(c).

"Reference Jurisdiction" has the meaning given to such term in Condition 4(c).

"**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 subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

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

"Settlement Currency" means the currency specified as such in the applicable Final Terms or, if no such currency is specified, the Specified Currency.

"Settlement Currency Exchange Rate" means in respect of a Settlement Currency Exchange Rate Observation Date, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived) between the currencies and from the source(s) and at the time in each case specified in the applicable Final Terms on such day, as determined by the Calculation Agent, provided that if any source specified in the applicable Final Terms is not available, any such rate of exchange may be determined by the Calculation Agent by reference to such sources as it, acting in good faith and in a commercially reasonable manner, considers in its sole discretion to be appropriate.

"Settlement Currency Exchange Rate Observation Date" means the date falling the number of Business Days specified in the applicable Final Terms prior to the relevant scheduled payment date in respect of the Notes.

"Specified Currency Amount" has the meaning given to such term in Condition 4(c).

"Specified Exchange Rate" means the rate of exchange specified in the applicable Final Terms.

"**Specified Maximum Days of Disruption**" means (other than with respect to Commodity Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities, five Scheduled Trading Days and with respect to Commodity Securities, five Commodity Business Days;

"**Strike Date**" means,

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, the Strike Date specified 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 such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (i) where the Notes are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price:
 - (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the relevant value, level, price or amount as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (ii) where the Notes are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike 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 Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item:
 - (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value, level price or amount for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(b) in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Day**" means each date specified as such in the applicable Final Terms and, if Averaging Date Consequences are specified as applicable in the applicable Final Terms, the provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Strike Day";

"**Strike Period**" means the period specified as such in the applicable Final Terms;

"Unscheduled Holiday" has the meaning given to such term in Condition 4(c).

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

"**Valuation Date**" means:

(a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, the Interest 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:

(i) where the Notes are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level, price or amount:

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

(B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the relevant value, level, price or amount as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Notes are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level or price using, in relation to the Affected Item, the value, level, price or amount as applicable, determined using:

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

(B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value, level, price or amount for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

(a) the Valuation Time specified in the applicable Final Terms; or

(b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or

(c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest 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.

13. PRESCRIPTION

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiry of 10 years from the due date thereof and claims for payment of interest (if any) in respect of the Notes shall be prescribed upon the expiry of five years, from the due date 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 13 or Condition 4 above.

14. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

If any Note (other than Italian Dematerialised Notes but including any Global Note), Receipt, Coupon or Talon is mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Principal Paying Agent or the Registrar, as the case may be, upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued. Cancellation and replacement of Notes, Receipts, Coupons or Talons shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or 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 Issue Date, the Issue Price, the amount and date of the first interest payment thereon (if any) and/or the date from which interest starts to accrue (if any), such further notes being consolidated with and forming a single series with the Notes.

16. NOTICES

- 16.1 All notices to the holders of Registered Notes will be valid if mailed to their registered addresses. All notices regarding the Italian Dematerialised Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.
- 16.2 All notices regarding Notes, both Bearer and Registered and Italian Dematerialised Notes, will be valid if published once (i) in a leading English language daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) or in the CNY Settlement Centre(s) (in the case of Notes denominated in CNY), and (ii) so long as the Notes of this Series are listed and admitted to trading on (A) Euronext Paris in a leading daily newspaper of general circulation in France (which is expected to be *La Tribune* or *Les Échos*) or (B) the Official List of the Luxembourg Stock Exchange and so long as the rules of that exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). or (iii) in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and so long as such Notes are listed and admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes is/are listed and admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders of this Series in accordance with this Condition.

- 16.3 Until such time as any definitive Notes are issued, there may, so long as all the Global Note(s) for this Series (whether listed or not) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted, in relation only to such Series, for such publication as aforesaid in Condition 16.2, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders except that if the Notes are listed on a stock exchange and the rules of that stock exchange so require, the relevant notice will in any event be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.
- 16.4 Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent. Whilst any Notes are represented by a Global Note, such notice may be given by a Noteholder to the Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.
- 16.5 All notices given to Noteholders (irrespective of how given) shall also be delivered in writing to Euroclear and Clearstream, Luxembourg and, in the case of listed Notes, to the relevant stock exchange, unless such Notes are Italian Dematerialised Notes which are also Italian Listed Notes, in which case such notices should also be delivered in writing to Borsa Italiana S.p.A.-
- 16.6 Until such time as any definitive Notes are issued, for so long as the Notes are represented by a Global Note and such Global Note is held on behalf of CMU, notices to the Noteholders may be given by delivery of relevant notice to the CMU Lodging Agent for communication to the CMU participants or to the persons shown in a CMU Instrument Position Report issued by the CMU on the Business Day preceding the date of dispatch of such notice as holding interests in the Global Note. Any such notice shall be deemed to have been given to the Noteholders on the second Business Day after such notice has been sent.

17. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Note 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 provisions of the Note Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor (if any) or Noteholders holding not less than 5 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, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, 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, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any such adjourned meeting 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. Extraordinary Resolutions may also be passed in writing if signed by holders of not less than 90 per cent in nominal amount of the Notes.

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

- (a) any modification of the Notes, the Receipts, the Coupons or the Note Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Note Agency Agreement which is of a formal, minor or technical nature or to cure, correct or supplement any defective provision or is made to cure, correct or supplement a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

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 16 as soon as practicable thereafter.

18. AGENTS AND REGISTRAR

18.1 In acting under the Note Agency Agreement, the Agents will act solely as agents of each of the Issuer and Guarantor (if applicable) 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 and the Guarantor (if applicable) to the Noteholders, Receiptholders and Couponholders, to repay Notes and pay interest thereon) funds received by the Principal Paying 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 13. The Issuer will agree to perform and observe the obligations imposed upon it under the Note Agency Agreement. The Note 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.

18.2 Discretion

Notwithstanding anything to the contrary in these Conditions, where the Notes are Italian Listed Notes, in exercising its discretion and making a determination, the Issuer, the Calculation Agent and any other relevant Agent shall do so in good faith and in accordance with the then current market practice.

19. SUBSTITUTION

19.1 Notes issued by BNPP B.V.

- (a) The Issuer, or any previous substituted company may, at any time, without the consent of the Noteholders, substitute for itself as principal obligor under the Notes any company (the "**Substitute**"), being the Issuer or any other company, subject to:
 - (i) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Noteholder the performance of all obligations by the Substitute under the Notes;
 - (ii) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Notes represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
 - (iii) the Substitute becoming party to the Note Agency Agreement (unless the Substitute is already a party to the Note Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;

- (iv) each stock exchange on which the Notes are listed having confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;
 - (v) if appropriate, the Substitute having appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes; and
 - (vi) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Noteholders in accordance with Condition 16.
- (b) BNPP or any previous substituted company may, at any time, without the consent of the Noteholders, substitute for itself as guarantor in respect of the Notes any company (the "**Substitute BNPP Guarantor**"), being BNPP or any other company, subject to:
- (i) the creditworthiness of the Substitute BNPP Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, or such other rating agency as the Calculation Agent determines to the Substitute BNPP Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
 - (ii) the Substitute BNPP Guarantor having entered into a guarantee (the "**Substitute BNPP Guarantee**") in respect of the Notes in substantially the same form as the relevant BNPP Note Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute BNPP Guarantor shall undertake in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Note Agency Agreement as fully as if the Substitute BNPP Guarantor had been named in these Terms and Conditions, the Documents and the Note Agency Agreement as the guarantor in respect of the Notes in place of BNPP (or of any previous substitute under this Condition);
 - (iii) the Substitute BNPP Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Notes remain outstanding and for so long as any claim made against the Substitute BNPP Guarantor or the Issuer by any Noteholder in relation to the Notes, the Substitute BNPP Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
 - (iv) each stock exchange on which the Notes are listed having confirmed that following the proposed substitution of the Substitute BNPP Guarantor (or of any previous substitute under this Condition) it will continue to list the Notes;
 - (v) if appropriate, the Substitute BNPP Guarantor having appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes or the Substitute BNPP Guarantee; and

(vi) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Noteholders in accordance with Condition 16.

~~(vi)~~ Notwithstanding the foregoing, in the case of Italian Listed Notes, BNPP may not be substituted as guarantor in respect of such Notes.

19.2 Notes issued by BP2F

In the case of Notes issued by BP2F or any previously substituted company, the Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Coupons and the Talons any company (the "**Substitute**") which is the Guarantor or a subsidiary of the Guarantor, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), in such form as may be agreed between BP2F and the Substitute and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Coupon or Talon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Coupons and Talons shall be unconditionally and irrevocably guaranteed by the Guarantor by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Coupons and Talons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll (where the Substitute is not the Guarantor), of the Guarantor have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Note Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this Condition 19.2 and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies or, pending execution, the agreed text of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified offices of each of the Paying Agents. References in Condition 8 (*Events of Default and Enforcement*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 8 (*Events of Default and Enforcement*) shall be deemed to include that guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. The Issuer and the Substitute shall also comply with the relevant rules and regulations of any competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation.

19.3 Notes issued by BGL

In the case of Notes issued by BGL or any previously substituted company, the Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under any Series of the Notes, the Coupons and the Talons any subsidiary branch or affiliate of the Issuer or the successor company of the Issuer or jointly and severally one or more companies to whom the Issuer has transferred all of its assets and business undertakings (in each case the "**Substitute**") provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue, no steps have been taken to admit the Issuer to a regime of suspension of payments (*sursis de paiement*) and (except in the case of a solvent reorganisation or amalgamation) no judgment has been rendered or an effective voluntary

resolution has been passed for the dissolution and liquidation of the Issuer. Such substitution effected in accordance with this Condition 19 will release the Issuer or any previous substituted company and the Noteholders and Couponholders expressly consent hereto. The substitution shall be made by a deed poll (the "**Deed Poll**") in such form as may be agreed between BGL and the Substitute and may take place only if:

- (a) the Substitute, by means of the Deed Poll, agrees to indemnify each Noteholder and Couponholder against any tax, duty, assessment, withholding, deduction or governmental charge which is imposed on it by (or by any taxing authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Coupon, Talon or the Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty assessment or governmental charge, and any cost or expense, relating to the substitution;
- (b) unless the Substitute is the successor company of the Issuer or one or more companies to whom the Issuer has transferred all of its assets and business undertakings each of whom are to be jointly and severally liable as principal debtor, the obligations of the Substitute under the Deed Poll, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Issuer or its successor or each of the companies to whom together the Issuer has transferred all of its assets and business undertakings (each a "**Guarantor**") by means of a guarantee substantially in the form contained in the Deed Poll (the "**Guarantee**");
- (c) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, the Coupons, the Talons and the Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Guarantee, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
- (d) the Substitute has become party to the Note Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (e) legal opinions addressed to the Noteholders have been delivered to them (care of the Principal Paying Agent) from a lawyer or a firm of lawyers with a leading securities practice in each jurisdiction referred to in (a) above as to the fulfilment of the preceding conditions of this Condition 19 and the other matters specified in the Deed Poll;
- (f) the substitution does not affect adversely the rating of the Notes by Moody's France SAS, Standard & Poor's Credit Market Services France SAS and Fitch France SAS or, if any such rating agency does not exist at the relevant time, any two existing internationally recognised rating agencies; and
- (g) the Issuer has given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies of all documents (in draft or final form) in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 8 (*Events of Default and Enforcement*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll and, where the Deed Poll contains a Guarantee, the events listed in Conditions 8.1(c) shall be deemed to include such Guarantee not being (or being claimed by the Guarantor not to be) in full force and effect. In addition, the Guarantee shall contain (A) events of default in respect of the Notes in the same terms as Condition 8.1(c) relating to the Guarantor (except that references in Condition 8.1(c)(i) to failure to pay principal and interest on the Notes shall be a reference to failure to pay under the Guarantee), (B) provisions relating to the Guarantor in the form of Conditions 2.2(a) and 2.2(c) and (C) and a negative pledge in relation to the Guarantee in the form of Condition 2.3.

References to "outstanding" in relation to the Notes of any Series shall, on a substitution of the Issuer where the Guarantor guarantees the Notes, not include Notes held by the Guarantor and its subsidiaries for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Noteholders and (ii) the determination of how many Notes are outstanding for the purposes of Condition 17 (*Meetings of Noteholders, Modification and Waiver*).

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The Notes shall not confer any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

21. GOVERNING LAW AND SUBMISSION TO JURISDICTION

21.1 Governing law

The Note Agency Agreement, the Deed of Covenant, the Guarantees, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Note Agency Agreement, the Deed of Covenant, the Guarantees, the Notes (except as aforesaid), the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law. Notwithstanding this, with respect to Italian Dematerialised Notes, the registration and transfer of the Italian Dematerialised Notes in Monte Titoli shall be governed by, and shall be construed in accordance with, Italian law.

21.2 Submission to jurisdiction

The courts of England shall have jurisdiction to settle all disputes which may, directly or indirectly, arise out of or in connection with the Notes, the Guarantees, the Receipts and/or the Coupons (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes, the Guarantees, the Receipts and/or the Coupons) (a "**Dispute**") and each of the Issuer and the Guarantor submits and each Noteholder (by its acquisition of a Note) is deemed to submit to the jurisdiction of the English courts. For the purposes of this Condition, each of the Issuer and the Guarantor waives and each Noteholder (by its acquisition of a Note) is deemed to waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

21.3 Appointment of Process Agent

Each Issuer and Guarantor (if applicable) hereby appoints BNP Paribas, London branch, currently of 10 Harewood Avenue, London NW1 6AA (Attention: the Loan Administration Department) as its agent in England to receive service of process in England in any proceedings in England relating to the Notes, the Guarantee, the Receipts and/or the Coupons, as the case may be. If for any reason such process agent ceases to act as such or no longer has an address in England each Issuer and Guarantor agrees to appoint a substitute process agent and to notify the Noteholders of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

21.4 Other documents

The Issuer and (where applicable) the Guarantor have in the Note Agency Agreement, the Guarantees 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.

AMENDMENTS TO ANNEX 1 – ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

In relation to the amendments to Annex 1 – Additional Terms and Conditions for Payouts set out in this section, text which, by virtue of this Fifth Supplement is added to the Terms and Conditions of the Notes is shown underlined.

Annex 1 – Additional Terms and Conditions for Payouts is amended as follows:

The first paragraph of the definition of "**Capitalised Exercise Price**" in Payout Condition 1.8 is amended as follows:

"Capitalised Exercise Price" or "CEP_t" means, in respect of a calendar day (day_t), an amount calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms, provided that, in the case of Italian Listed Securities, CEP_t in respect of any day from and including the Issue Date to and including the Listing Date shall be equal to the Exercise Price:

AMENDMENTS TO THE INDEX OF DEFINED TERMS IN RESPECT OF THE NOTES

The Index of Defined Terms in respect of the Notes is amended as follows:

- (a) the definition of "**Physical Delivery Note**" is deleted and replaced with the following:

"**Physical Delivery Note**" is as defined in Note Condition 1.1. "

- (b) the definition of "**Settlement Currency**" (as amended by virtue of the Fourth Supplement) is deleted and replaced with the following:

"**Settlement Currency**" is as defined in Note Condition 12, in Credit Security Conditions, Part A-1, Condition 10 and in Credit Security Conditions, Part A-2, Condition 10. "

- (c) the following new definitions are inserted in alphabetical order:

"**Account Information Cut-off Date**" is as defined in Note Condition 4(c).

"**Cash Settled Notes**" is as defined in Note Condition 1.1.

"**Cash Settled Securities**" is as defined in Note Condition 1.1.

"**Dual Currency Note**" is as defined in Note Condition 4(a).

"**Dual Exchange Rate Event**" is as defined in Note Condition 4(c).

"**FX Disruption Event**" is as defined in Note Condition 4(c).

"**FX Disruption Notice**" is as defined in Note Condition 4(c).

"**Illiquidity Disruption**" is as defined in Note Condition 4(c).

"**Incontrovertibility Event**" is as defined in Note Condition 4(c).

"**Issuer Account Information Notice**" is as defined in Note Condition 4(c).

"**Italian Agent**" is as defined in the Terms and Conditions of the Notes, paragraph 3.

"**Italian Dematerialised Notes**" is as defined in Note Condition 1.

"**Italian Listed Notes**" is as defined in Note Condition 12.

"**Monte Titoli**" is as defined in Note Condition 1.1.

"**Non-Transferability Notice**" is as defined in Note Condition 4(c).

"**Noteholder Account Information Notice**" is as defined in Note Condition 4(c).

"**Physically Settled Securities**" is as defined in Note Condition 1.1.

"**Postponed DE Payment Date**" is as defined in Note Condition 1.1.

"**Reference Jurisdiction**" is as defined in Note Condition 4(c).

"**Settlement Currency Exchange Rate**" is as defined in Note Condition 12.

"Settlement Currency Exchange Rate Observation Date" is as defined in Note Condition 12.

"Specified Currency Amount" is as defined in Note Condition 4(c).

"Specified Exchange Rate" is as defined in Note Condition 12.

"Unscheduled Holiday" is as defined in Note Condition 4(c). "

AMENDMENTS TO THE DESCRIPTION OF BNPP INDICES

The section "Description of BNPP Indices" on pages 1012 to 1048 of the Base Prospectus is amended as set out below:

- (a) the following row is deleted from the table which begins on page 1013 of the Base Prospectus under paragraph 1 (GURU Indices):

Ethical Europe Equity Index PR	EUR	Long	PR	Europe	0	1	-	SOLEEE	Structured Solutions
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- (b) The following rows are added to the table which begins on page 1017 of the Base Prospectus under paragraph 2 (Thematic Mutual Fund Indices):

BNP Paribas Fd - Income Fund Stars Index (EUR)	EUR	ER	Star managers	0%	150%	4.50%	BNPIICFT Index
BNP Paribas Fd – Income Fund Stars Index (RUB)	RUB	ER	Star managers	0%	150%	4.50%	BNPIICFR Index
BNP Paribas Fd - Income Fund Stars Index (USD)	USD	ER	Star managers	0%	150%	4.50%	BNPIICFU Index
BNP Paribas Fd - Flexible Fund Stars Index (EUR)	EUR	ER	Star managers	0%	150%	5.00%	BNPIFLFT Index
BNP Paribas Fd - Flexible Fund Stars Index (USD)	USD	ER	Star managers	0%	150%	5.00%	BNPIFLFU Index
BNP Paribas Fd - Newcits- Fund Stars Series 2 Index (EUR)	EUR	ER	Star managers	0%	150%	4.00%	BNPIN2FT Index
BNP Paribas Fd - Newcits Fund Stars Series 2 Index (USD)	USD	ER	Star managers	0%	150%	4.00%	BNPIN2FU Index
BNP Paribas – Strategic Bond Fund Stars Index	EUR	TR	Star managers	0%	150%	2.00%	BNPISBFS Index

AMENDMENTS TO THE FORM OF THE NOTES SECTION

The section "Form of the Notes" on pages 1078 to 1080 of the Base Prospectus is amended as follows:

The following text is inserted immediately before the heading "**Registered Notes**":

"Italian Dematerialised Notes

If the Notes are specified in the applicable Final Terms as Italian Dematerialised Notes, the Notes are issued in bearer form (*al portatore*) and under the dematerialised regime, pursuant to the Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions, and the relevant implementing regulations and are registered in the books of Monte Titoli S.p.A. with registered office in Piazza degli Affari 6, Milan ("**Monte Titoli**"). No physical document of title is issued to represent the Italian Dematerialised Notes. However, the holder of the Italian Dematerialised Notes still has the right to obtain the release of the certificate pursuant to articles 83-quinquies and 83-novies, paragraph 1, letter b), of the Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

The transfer of Italian Dematerialised Notes operates by way of registration on the accounts opened with Monte Titoli by the intermediaries adhering to the clearing system. As a consequence, the subject who from time to time is the owner of the account held with an intermediary adhering, directly or indirectly, to Monte Titoli, on which the Italian Dematerialised Notes are credited, is considered as the legitimate owner of the Italian Dematerialised Notes and is authorised to exercise all rights related to them.

Payments of principal and interest (if any) in respect of the Italian Dematerialised Notes will be credited, according to the instructions of Monte Titoli, by the Italian Agent on behalf of the relevant Issuer or Guarantor to the accounts of those intermediaries adhering to the clearing system whose accounts with Monte Titoli are credited with those Italian Dematerialised Notes and thereafter credited by intermediaries adhering to the clearing system from such aforementioned accounts to the accounts of the beneficial owners of those Italian Dematerialised Notes."

AMENDMENTS TO THE BOOK-ENTRY CLEARANCE SYSTEMS AND BOOK-ENTRY SYSTEMS SECTIONS

- (a) The section "Book-Entry Clearance Systems" on page 1120 of the Base Prospectus is amended by the deletion of the text "or Iberclear" and the substitution of the following therefor:

", Iberclear or Monte Titoli".

- (b) The section "Book-Entry Systems" on pages 1120 to 1124 of the Base Prospectus is amended by the insertion of the following new paragraph immediately above the heading "**Book-entry Ownership of and Payments in respect of DTC Securities**":

"Monte Titoli

Monte Titoli S.p.A. has been authorised to operate the settlement services by the Bank of Italy, which directly managed a securities settlement procedure in the past.

The Centralised Administration Service is carried out by Monte Titoli as the sole Italian Central Securities Depository.

Any type of non-derivative financial instrument, whether Italian or foreign, can be admitted to Monte Titoli's system and registered by means of book entries without any physical movement and with high standards of security and efficiency.

Nearly all the centralised securities are booked in dematerialised form. Financial instruments that still exist in paper form are represented by global or jumbo certificates.

Both Italian and non-resident intermediaries, issuers, or clearing and settlement institutions may participate in Monte Titoli's Centralised Administration Service."

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "General Information" on pages 1220 to 1229 of the Base Prospectus is amended by the deletion of the sixth paragraph under the heading "13. Clearing Systems" and the substitution of the following therefor:

"Italian Dematerialised Securities and Italian Dematerialised Notes will be accepted for clearance in Monte Titoli. Italian Dematerialised Notes will be in bearer form (*al portatore*) and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy)."

**AMENDMENTS TO THE PROGRAMME SUMMARY IN RELATION TO THE BASE
PROSPECTUS (IN FRENCH) AND TO THE PRO FORMA ISSUE SPECIFIC SUMMARY OF THE
PROGRAMME IN RELATION TO THE BASE PROSPECTUS (IN FRENCH)**

1. Le "Résumé du Programme en relation avec le Prospectus de Base" figurant aux pages 1230 à 1287 du Prospectus de Base est modifié comme suit :

(a) Dans l'Elément C.1, le nouveau paragraphe suivant est inséré à la fin de celui-ci :

« Les Obligations peuvent être libellées dans une seule devise (la « **Devise Spécifiée** ») avec des montants payables au titre des intérêts et/ou du principal dans une autre devise (la « **Devise de Règlement** »), ces titres étant des « **Obligations à Double Devise** ». »

(b) Dans l'Elément C.8, le premier paragraphe situé sous le titre « **Loi applicable** » est supprimé et remplacé par le paragraphe suivant :

« *Dans le cas d'Obligations :*

Le Contrat de Service Financier des Obligations (tel que modifié, complété et/ou retraité au cours du temps), l'Acte d'Engagement (*Deed of Covenant*) (tel que modifié, complété et/ou retraité au cours du temps), les Garanties au titre des Obligations, les Obligations, les Reçus et les Coupons, et tous engagements non-contractuels découlant ou en lien avec le Contrat de Service Financier des Obligations (tel que modifié, complété et/ou retraité au cours du temps), l'Acte d'Engagement (*Deed of Covenant*) (tel que modifié, complété et/ou retraité au cours du temps), les Garanties, les Obligations (exception faite de ce qui est dit ci-dessus), les Reçus et les Coupons sont régis par le droit anglais, qui gouvernera également leur interprétation. »

(c) Dans l'Elément C.9, le nouveau paragraphe suivant est inséré à la fin de la section intitulée « **Remboursement** » :

« ***Obligations à Double Devise***

Dans le cas d'Obligations à Double Devise, tout montant calculé pour être payable au titre des intérêts (le cas échéant) et tout montant calculé pour être payable au titre du Remboursement des Obligations, sera converti dans la Devise de Règlement au Taux de Change Spécifié ou au Taux de Change de la Devise de Règlement spécifié(e) dans les Conditions Définitives applicables. »

(d) Dans l'Elément C.18, la section « **Remboursement Final – Obligations** » est modifiée comme suit :

(i) les termes « Obligations à Règlement en Numéraire » dans la première phrase du sous-paragraphe (a) sont supprimés et remplacés par les termes « Titres à Règlement en Numéraire » ;

(ii) les termes « Obligations à Règlement Physique » dans la première phrase du sous-paragraphe (b) sont supprimés et remplacés par les termes « Titres à Règlement Physique » ; et

(iii) le nouveau paragraphe suivant est inséré à la fin de celui-ci :

« ***Obligations à Double Devise***

En cas d'Obligations à Remboursement en Double Devise, tout montant calculé pour être payable au titre du Remboursement des Obligations, sera converti dans la Devise de Règlement au Taux de Change Spécifié ou au Taux de Change de la Devise de Règlement spécifié(e) dans les Conditions Définitives applicables. »

- (e) Dans l'Elément D.3, le nouveau paragraphe suivant est inséré directement après le premier paragraphe :

« Il existe des risques spécifiques applicables aux Obligations à Double Devise, y compris, sans limitation, l'exposition aux fluctuations des taux de change qui peuvent entraîner des fluctuations significatives dans la valeur des Obligations, le paiement du principal et/ou des intérêts peut se produire à un autre moment ou dans une autre devise que celui (celle) prévu(e), les investisseurs ne bénéficieront pas de l'évolution favorable des taux de change pendant la durée des Obligations à Double Devise pour lesquelles un taux prédéterminé de change est applicable, le prix de marché de ces Obligations peut être volatil, et les Titulaires peuvent, dans des circonstances selon lesquelles il n'est pas possible d'effectuer les paiements du principal et/ou des intérêts dans la Devise de Règlement, ne recevoir aucun intérêt et risquent de perdre la totalité ou une partie significative de leur capital. »

2. Le "Modèle de Résumé du Programme Spécifique à l'Emission en relation avec le Prospectus de Base" figurant aux pages 1288 à 1349 du Prospectus de Base est modifié comme suit :

- (a) Dans l'Elément C.2, des crochets sont mis devant le titre « Devise » et le nouveau paragraphe suivant est inséré à la fin de celui-ci :

« [Les Obligations sont libellées en *[préciser la devise]* (la « **Devise Spécifiée** »), et les montants payables au titre des Obligations au titre [des intérêts] [et] [du principal] sont payables en *[préciser la devise]* (la « **Devise de Règlement** »)] » ;

- (b) Dans l'Elément C.8, le premier paragraphe situé sous le titre « **Loi applicable** » est supprimé et remplacé par le paragraphe suivant :

« *Insérer, dans le cas d'Obligations :*

Le Contrat de Service Financier des Obligations (tel que modifié, complété et/ou retraité au cours du temps), l'Acte d'Engagement (*Deed of Covenant*) (tel que modifié, complété et/ou retraité au cours du temps), les Garanties au titre des Obligations, les Obligations, les Reçus et les Coupons, et tous engagements non-contractuels découlant ou en lien avec le Contrat de Service Financier des Obligations (tel que modifié, complété et/ou retraité au cours du temps), l'Acte d'Engagement (*Deed of Covenant*) (tel que modifié, complété et/ou retraité au cours du temps), les Garanties, les Obligations (exception faite de ce qui est dit ci-dessus), les Reçus et les Coupons sont régis par le droit anglais, qui gouvernera également leur interprétation. »

- (c) Dans l'Elément C.9, le nouveau paragraphe suivant est inséré directement au-dessus du titre « **Remboursement** » :

« *[A insérer en cas d'Obligations à Intérêt en Double Devise :*

Tout montant calculé pour être payable au titre des intérêts, sera converti dans la Devise de Règlement au *[préciser le taux de change fixe ou le taux de change (y compris tout taux de change en vertu duquel le taux de change concerné est dérivé)]*, y compris les sources (le cas échéant) sur lesquelles ce taux de change est déterminé et la durée/date de détermination de ces taux de change.]

Les dispositions ci-dessus sont sous réserve d'ajustements conformément aux modalités des Obligations afin de prendre en compte les événements en rapport avec la Devise Spécifiée. Cela peut entraîner des retards dans le paiement des intérêts, ou ces paiements pourraient être effectués dans une autre devise que celle prévue. Dans de telles circonstances, les Obligataires peuvent également être tenus de fournir certaines informations à l'Emetteur (y compris, *inter alios*, en précisant un compte dans lequel ils peuvent recevoir la devise concernée), et les paiements par l'Emetteur peuvent être retardés ou l'Emetteur peut se voir libéré de ses obligations de paiement au titre des Obligations, si les Obligataires ne parviennent pas à fournir les informations demandées dans le délai prescrit.] »

- (d) Dans l'Elément C.9, le nouveau paragraphe suivant est inséré directement au-dessus du titre « **Représentant des Titulaires** » :

« [A insérer en cas d'Obligations à Remboursement en Double Devise :

Tout montant calculé pour être payable au titre du remboursement des Obligations, sera converti dans la Devise de Règlement au [préciser le taux de change fixe ou le taux de change (y compris tout taux de change en vertu duquel le taux de change concerné est dérivé), y compris les sources (le cas échéant) sur lesquelles ce taux de change est déterminé et la durée/date de détermination de ces taux de change.]

Les dispositions ci-dessus sont sous réserve d'ajustements conformément aux modalités des Obligations afin de prendre en compte les événements en rapport avec la Devise Spécifiée. Cela peut entraîner des retards dans le paiement du principal, ou ces paiements pourraient être effectués dans une autre devise que celle prévue. Dans de telles circonstances, les Obligataires peuvent également être tenus de fournir certaines informations à l'Emetteur (y compris, *inter alios*, en précisant un compte dans lequel ils peuvent recevoir la devise concernée), et les paiements par l'Emetteur peuvent être retardés ou l'Emetteur peut se voir libéré de ses obligations de paiement au titre des Obligations, si les Obligataires ne parviennent pas à fournir les informations demandées dans le délai prescrit.] »

- (e) Dans l'Elément C.18, le nouveau paragraphe suivant est inséré à la fin de celui-ci :

« [A insérer en cas d'Obligations à Remboursement en Double Devise :

Tout montant calculé pour être payable au titre du remboursement des Obligations, sera converti dans la Devise de Règlement au [préciser le taux de change fixe ou le taux de change (y compris tout taux de change en vertu duquel le taux de change concerné est dérivé), y compris les sources (le cas échéant) sur lesquelles ce taux de change est déterminé et la durée/date de détermination de ces taux de change.]

Les dispositions ci-dessus sont sous réserve d'ajustements conformément aux modalités des Obligations afin de prendre en compte les événements en rapport avec la Devise Spécifiée. Cela peut entraîner des retards dans le paiement du principal, ou ces paiements pourraient être effectués dans une autre devise que celle prévue. Dans de telles circonstances, les Obligataires peuvent également être tenus de fournir certaines informations à l'Emetteur (y compris, *inter alios*, en précisant un compte dans lequel ils peuvent recevoir la devise concernée), et les paiements par l'Emetteur peuvent être retardés ou l'Emetteur peut se voir libéré de ses obligations de paiement au titre des Obligations, si les Obligataires ne parviennent pas à fournir les informations demandées dans le délai prescrit.] »

- (f) Dans l'Elément D.3, le nouveau paragraphe suivant est inséré directement après le premier paragraphe :

« *[A insérer en cas d'Obligations à Double Devise :*

« Il existe des risques spécifiques applicables aux Obligations à Double Devise, y compris, sans limitation, l'exposition aux fluctuations des taux de change qui peuvent entraîner des fluctuations significatives de la valeur des Obligations, les paiements [des intérêts] [et] [/] [ou] [du] [principal], [et/ou de la prime] peuvent se produire à un autre moment ou dans une autre devise que celui (celle) prévu(e), [les investisseurs ne bénéficieront pas de l'évolution favorable des taux de change pendant la durée des Obligations à Double Devise], le prix de marché des Obligations peut être volatil, et les Titulaires peuvent, dans des circonstances selon lesquelles il n'est pas possible d'effectuer les paiements [des intérêts] [et] [/] [ou] [du] [principal] dans la Devise de Règlement, [ne recevoir aucun intérêt] [et risquent de] perdre la totalité ou une partie significative de leur capital.] ; » et

- (g) Dans l'Elément E.3, le nouveau texte suivant est ajouté directement après les termes « leur montant nominal »:

« [qui sera payable en [préciser la Devise de Règlement] calculé par référence au [préciser le taux de change (y compris tout taux de change en vertu duquel le taux de change concerné est dérivé), y compris les sources (le cas échéant) sur lesquelles ce taux de change est déterminé et la durée/date de détermination de ces taux de change.] »

RESPONSIBILITY STATEMENT

I hereby certify on behalf of BNPP, BNPP B.V., BP2F, BNPPF and BGL, having taken all reasonable care to ensure that such is the case that, to the best of my knowledge, the information contained in this Fifth Supplement is in accordance with the facts and contains no omission likely to affect its import.

The consolidated financial statements as of and for the year ended 31 December 2013 of BNPP were audited by statutory auditors who issued an audit report which is incorporated by reference in the Base Prospectus, as amended by the Previous Supplements. This report contains an emphasis of matter paragraph (*paragraphe d'observations*) referring, *inter alia*, to note 3.g to the consolidated financial statements regarding the provision related to US dollar payments involving parties subject to US sanctions. The First Update to the BNPP 2013 Registration Document filed with the AMF on 30 April 2014 contains an update of note 3.g to the consolidated financial statements which can be found on page 60. The Second Update to the BNPP 2013 Registration Document filed with the AMF on 7 July 2014 contains in particular the press release dated 30 June 2014 announcing a comprehensive settlement regarding the review of certain USD transactions by US authorities, which can be found on pages 4 and 5 of the Second Update to the BNPP 2013 Registration Document.

The Statutory Auditors' report on the condensed consolidated financial statements of BNPP for the six months ended 30 June 2014 presented in the Third Update to the BNPP 2013 Registration Document is given on pages 140 to 141 and contains an emphasis of matter paragraph (*paragraphe d'observations*) referring, *inter alia*, to note 3.g to the consolidated financial statements, which outlines the costs related to the comprehensive settlement with US authorities. The Third Update to the BNPP 2013 Registration Document filed with the AMF on 1 August 2014 contains an update of note 3.g to the consolidated financial statements which can be found on pages 100 and 101, as well as an amendment to the Risks Relating to BNPP and its Industry which can be found on pages 142 and 143.

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Lars Machenil
In his capacity as Chief Financial Officer

Stéphane de Marnhac
In his capacity as Head of Investor
Relations and Financial Information

Dated 9 October 2014

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* ("AMF"), in particular Articles 211-1 to 216-1, the AMF has granted to this Fifth Supplement the visa n° 14-543 on 10 October 2014. This Fifth Supplement has been prepared by BNPP, BNPP B.V., BP2F, BNPPF and BGL and BNPP's signatories assume responsibility for it on behalf of BNPP, BNPP B.V., BP2F, BNPPF and BGL, save that BNPP, BNPP B.V., BP2F and BNPPF accept no responsibility for the BGL Interim Financial Statements. This Fifth Supplement and the Base Prospectus, as amended by the Previous Supplements, may only be used for the purposes of a financial transaction if completed by Final Terms. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This *visa* has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.