



## Euro Medium Term Note Programme

On 28 November 1996 BGL BNP Paribas (previously known as Fortis Banque Luxembourg S.A. and most recently known as BGL *Société Anonyme*) (the "**Issuer**" or the "**Bank**" or "**BGL**") entered into a U.S.\$1,000,000,000 Euro Medium Term Note Programme (the "**Programme**") which was subsequently amended on 29 October 1997 (whereby, *inter alia*, the Programme was increased to U.S.\$2,000,000,000), on 18 December 1998 (whereby, *inter alia*, the Programme was increased to U.S.\$3,000,000,000), on 28 June 2000, on 6 August 2001, on 6 August 2002, on 29 July 2003, on 1 October 2003 (whereby the Programme was increased to U.S.\$5,000,000,000), on 29 July 2004, on 2 March 2005 (whereby the Programme was increased to U.S.\$8,000,000,000) on 29 September 2005, on 22 August 2006, on 13 November 2007 as supplemented by a Supplement dated 16 May 2008, on 9 June 2009, on 6 July 2010 as supplemented by a Supplement dated 14 September 2010, on 13 July 2011, on 22 June 2012, on 24 June 2013 as supplemented by Supplements dated 9 October 2013 and 5 December 2013, on 24 June 2014 as supplemented by Supplements dated 14 July 2014, 25 July 2014 and 25 September 2014, on 24 June 2015 as supplemented by Supplements dated 16 October 2015, 18 January 2016 and 24 May 2016, on 22 June 2016 as supplemented by Supplements dated 13 September 2016 and 29 May 2017 and on the date hereof. Any Notes issued under the Programme are issued subject to the provisions set out herein. This does not affect the terms and conditions of any Notes already in issue or any Notes issued after the date hereof and forming a single series with Notes issued prior to the date hereof.

Under this Programme the Issuer may, either directly or, in the case of Exempt Notes only, acting through any branch, from time to time issue notes (the "**Notes**"), which expression shall include Euro Notes and Luxembourg Notes (each as defined below) denominated in any currency as may be agreed between the Issuer and the Relevant Dealer (as defined below). The Notes will rank as senior obligations of the Issuer. The Notes will either be Euro Notes ("**Euro Notes**") or Luxembourg Notes ("**Luxembourg Notes**"). The Euro Notes (which may be in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") will be governed by English law. The Luxembourg Notes (which will be Bearer Notes only) will be governed by Luxembourg law.

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "**EEA**") and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive. When used in this Base Prospectus "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the EEA.

**Notes issued under the Programme may be (i) admitted to trading on a regulated market in the EEA or offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive ("Non-exempt Notes") or (ii) neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive ("Exempt Notes"). The Commission de surveillance du secteur financier (the "CSSF") has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.**

Application has been made to the CSSF in its capacity as competent authority under the Luxembourg Act dated 10th July 2005 on prospectuses for securities, as amended (the "**Luxembourg Prospectus Law**") to approve this document as a Base Prospectus in respect of Non-exempt Notes. **At the start of each relevant section of this Base Prospectus an indication is given whether the section applies to Exempt Notes, Non-exempt Notes or both.** Application has been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and admitted to trading on the "*Bourse de Luxembourg*", which is the name of the regulated market of the Luxembourg Stock Exchange (the "**Luxembourg Regulated Market**"). Application has also been made to the Luxembourg Stock Exchange to approve this document as a base prospectus in respect of Exempt Notes in accordance with Part IV of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended, and for Notes issued under the Programme during the 12 months from the date of approval of this Base Prospectus to be listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the "**Euro MTF Market**"). Application may be made to Euronext Brussels for Notes issued under the Programme during the 12 months from the date of approval of this Base Prospectus to be admitted to listing and trading on Euronext Brussels, which is the regulated market of Euronext Brussels (the "**Belgian Regulated Market**").

References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been (a) admitted to the Official List of the Luxembourg Stock Exchange and have either been admitted to trading on (i) the Luxembourg Regulated Market or (ii) the Euro MTF Market or (b) have been admitted to listing and trading on the Belgian Regulated Market. The Luxembourg Regulated Market and the Belgian Regulated Market are each regulated markets for the purpose of Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**"). The Euro MTF Market is not a regulated market for the purposes of the Markets in Financial Instruments Directive and is not subject to the supervision of the CSSF.

**BY APPROVING THIS BASE PROSPECTUS, THE CSSF SHALL GIVE NO UNDERTAKING AS TO THE ECONOMIC AND FINANCIAL SOUNDNESS OF THE OPERATION OR THE QUALITY OR SOLVENCY OF THE ISSUER IN ACCORDANCE WITH ARTICLE 7(7) OF THE LUXEMBOURG LAW ON PROSPECTUSES FOR SECURITIES.**

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 2 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Base Prospectus to the "**Relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*". Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined on page 193 or 232, as the case may be) of Notes (other than Exempt Notes) will be set forth in the final terms (the "**Final Terms**") which, with respect to Notes to be listed on the Official List and admitted to trading on the Luxembourg Regulated Market or to be listed and admitted to trading on the Belgian Regulated Market, will be filed with the CSSF or the Belgian Regulated Market (as the case may be). Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Copies of Final Terms in relation to Notes to be listed on the Belgian Regulated Market will also be published on the website of Euronext ([www.euronext.com](http://www.euronext.com)). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the "**Pricing Supplement**"). Copies of Pricing Supplements will be available from the specified office of the Agent (see "*Documents available*" on page 366 hereof). Any reference in this Base Prospectus to "relevant Final Terms", "applicable Final Terms" or "Final Terms" will be deemed to include a reference to "relevant Pricing Supplement", "applicable Pricing Supplement" or "Pricing Supplement", respectively in relation to Exempt Notes, to the extent applicable.

Under the Luxembourg Prospectus Law which implements the Prospectus Directive, an offer to the public or the admission to trading on a regulated market of money market instruments having a maturity at issue of less than 12 months and complying with the definition of securities is regulated under part III of the Luxembourg Prospectus Law and shall either (a) require due approval of a simplified prospectus by the CSSF or the Luxembourg Stock Exchange as the case may be pursuant to part III of the Luxembourg Prospectus Law; or (b) be exempt from or constitute a transaction not subject to, the requirement to publish a simplified prospectus under part III of the Luxembourg Prospectus Law. Under the Luxembourg Prospectus Law, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such law.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the Relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any markets. The Issuer has requested the CSSF to provide to the relevant competent authority of Belgium, France and Germany respectively with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. In accordance with Article 18 of the Prospectus Directive and Article 19 of the Luxembourg Prospectus Law, the Issuer reserves the right to request the CSSF to provide any other competent authority with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Unless otherwise provided in the applicable Final Terms, Bearer Notes will initially be represented by a temporary global note ("**Temporary Global Note**") or a permanent global note ("**Permanent Global Note**" and, together with the Temporary Global Note, "**Global Notes**"), in each case as specified in the relevant Final Terms and Registered Notes will be represented by a global certificate ("**Global Certificate**"). Each Global Note which is not intended to be issued in a new global note

("NGN") form (such Global Note being a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms will be deposited on the relevant issue date with, or with a nominee for, a common depository on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or a depository for any other relevant clearing system as may be agreed between the Issuer and the Relevant Dealer(s). Each Global Note which is intended to be issued in NGN form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with Euroclear or Clearstream, Luxembourg (together the "**ICSDs**") acting as a common safekeeper for the ICSDs. Notes represented by a Global Certificate which are not intended to be issued under the a new safekeeping structure ("**NSS**") (the Notes represented by such Global Certificate being issued under the classic safekeeping structure or "**CSS**"), as specified in the relevant Final Terms, will be deposited on the relevant issue date with, and will be registered in the name of, or in the name of a nominee for, a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or a depository for any other relevant clearing system as may be agreed between the Issuer and the Relevant Dealer(s). Notes represented by a Global Certificate which are intended to be issued under the NSS, as specified in the relevant Final Terms, on or around the relevant issue date, will be deposited with and registered in the name of one of the ICSDs acting as common safekeeper for the ICSDs. The Temporary Global Note will be exchangeable (as provided in the applicable Final Terms) for either a Permanent Global Note or Notes in definitive form ("**Definitive Notes**"), in each case (unless otherwise provided in the applicable Final Terms) upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. Unless otherwise specified in the applicable Final Terms, a Permanent Global Note will be exchangeable for Definitive Notes, and a Global Certificate will be exchangeable for individual certificates ("**Individual Certificates**"), only in the limited circumstances described in "Form of the Notes" below.

BGL's long-term credit ratings are A1 with a stable outlook (Moody's France S.A.S. ("**Moody's**")), A with a stable outlook (Standard & Poor's Credit Market Services France S.A.S. ("**S&P**")) and A+ with a stable outlook (Fitch France S.A.S. ("**Fitch**")) and BGL's short-term credit ratings are P-1 (Moody's), A-1 (S&P) and F1 (Fitch).

Moody's credit rating in respect of the Programme is (P)A2 (Senior Unsecured). S&P's credit ratings in respect of the Programme are: (i) A (Senior Unsecured Debt maturing in one year or more) and (ii) A-1 (Senior Unsecured Debt maturing in less than one year). Fitch's credit ratings in respect of the Programme are A+ (long-term senior unsecured) and F1 (short-term senior unsecured).

A short description of the ratings is provided below based on the publicly available definitions published by each of the rating agencies.

#### **Moody's**

Obligations rated 'A' by Moody's are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; and the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Issuers (or supporting institutions) rated 'P-1' by Moody's have a superior ability to repay short-term debt obligations. A Moody's "stable" outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher likelihood of a rating change over the medium term. MTN programme ratings by Moody's are intended to reflect the ratings likely to be assigned to drawdowns issued from the programme with the specified priority of claim (e.g. senior or subordinated). To capture the contingent nature of a programme rating, Moody's assigns provisional ratings to MTN programs. A provisional rating is denoted by a (P) in front of the rating and is assigned when the assignment of a definitive rating is subject to the fulfilment of contingencies that are highly likely to be completed. Upon fulfilment of these contingencies, such as finalization of documents and issuance of the securities, the provisional notation is removed.

#### **S&P**

Long-Term Issuer Credit Ratings: An obligor rated 'A' by S&P has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. Short-Term Issuer Credit Ratings: An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by Standard & Poor's Global Ratings. Rating Outlooks: A Standard & Poor's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. Stable means that a rating is not likely to change.

Long Term Issue Credit Ratings: A long term obligation rated 'A' by S&P is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. Short Term Issue Credit Ratings: A short-term obligation rated 'A-1' is rated in the highest category by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

#### **Fitch**

'A' ratings by Fitch denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers "+" or "-" may be appended to a rating by Fitch to denote relative status within major rating categories. An 'F1' rating by Fitch indicates the strongest intrinsic capacity for timely payment of financial commitments. Rating Outlooks applied by Fitch indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached or been sustained the level that would cause a rating action, but which may do so if such trends continue. A Positive rating Outlook indicates an upward trend on the rating scale. Conversely, a Negative rating Outlook signals a negative trend on the rating scale. Positive or Negative rating Outlooks do not imply that a rating change is inevitable and, similarly, ratings with Stable Outlooks can be raised or lowered without a prior revision to the Outlook.

The information set out above relating to the description of the ratings has been extracted from the website of the relevant rating agency. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from such websites, no facts have been omitted which would render the reproduced information inaccurate or misleading. This paragraph should be read in conjunction with the second paragraph on the following page.

Each of Moody's, S&P and Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Moody's, S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Some Tranches of Notes issued under the Programme may be assigned a specific rating that will not necessarily be the same as the rating assigned to the Programme or may not receive a credit rating. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the relevant assigning rating agency. Please also refer to "*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in the Notes*" in the Risk Factors section of this Base Prospectus.

Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Whether or not each credit rating in relation to relevant tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Please also refer to "*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes*" in the Risk Factors section of this Base Prospectus.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

**Arranger**  
**BGL BNP Paribas**

**Dealers**  
**BGL BNP Paribas**  
**BNP PARIBAS**

This Base Prospectus comprises a base prospectus in respect of all Notes other than Exempt Notes for the purposes of Article 5.4 of the Prospectus Directive.

The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated by reference into this Base Prospectus including, amongst others, the French Annual Report 2016, the English Annual Report 2016, the French Annual Report 2015 and the English Annual Report 2015 (each as defined below) (see "**Documents Incorporated by Reference**"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated by reference into and form part of this Base Prospectus. Information in websites referred to herein shall not be deemed to be incorporated in or form part of this Base Prospectus.

Copies of Final Terms (in the case of Notes listed on the Official List and admitted to trading on the Luxembourg Regulated Market or admitted to listing and trading on the Belgian Regulated Market) will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below) and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) (in the case of Notes listed on the Official List and admitted to trading on the Luxembourg Regulated Market) and will be published on the website of Euronext ([www.euronext.com](http://www.euronext.com)) and will be available from the registered office of BNP Paribas Fortis NV/SA (in the case of Notes admitted to listing and trading on the Belgian Regulated Market). Copies of the Final Terms (in case of Notes offered to the public and not listed on the Official List and admitted to trading on the Luxembourg Regulated Market) will be available from the registered office of the Issuer and the specified office set out below of the Paying Agent (as defined below) and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the "**Conditions**") (i) in the case of Non-exempt Notes, as completed by a document specific to such Tranche called Final Terms or (ii) in the case of Exempt Notes, as completed, supplemented, amended and/or replaced by a document specific to such Tranche called Pricing Supplement. Where any of such terms relating to an issue of Non-exempt Notes constitute a "significant new factor" relating to the information contained in this Base Prospectus, either a supplement to the Base Prospectus setting out the relevant terms will be submitted for approval or such terms, together with all of the other necessary information in relation to the relevant series of Notes, will be contained in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below. In the case of a Tranche of Non-exempt Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus should be read in conjunction with any supplement hereto and any other documents or information incorporated herein by reference and in relation to any Tranche (as defined herein) of Notes which is the subject of Final Terms or Pricing Supplement, must be read and construed together with the relevant Final Terms or Pricing Supplement, as the case may be.

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

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

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

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

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

*Neither this Base Prospectus nor any Final Terms constitutes an offer to sell or the solicitation of any offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes outside Luxembourg, Belgium, France or Germany, or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including Belgium, France and the United Kingdom), Switzerland, Hong Kong and Japan (see "Subscription and Sale" below).*

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and the Bearer Notes are subject to U.S. tax law requirements. The Notes are being offered and sold outside the United States to persons other than U.S. persons in accordance with Regulation S of the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "Subscription and Sale" below).*

*Notes issued under the Programme do not constitute a Collective Investment Scheme within the meaning of the Swiss Collective Investment Schemes Act of 23 June 2006 (the "CISA") and have not been approved by the Swiss Financial Markets Supervisory Authority ("FINMA"). Notes issued under the Programme are neither issued nor guaranteed by a Swiss financial intermediary.*

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes, from 1 January 2018 are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

### **Presentation of Financial Information**

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the consolidated audited financial statements of the Issuer as of and for the financial years ended 31 December 2016 and 31 December 2015 (together, the "**Financial Statements**").

The Issuer's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as endorsed by the European Union.

*Investors should consult the Issuer should they require a copy of the 2006 ISDA Definitions, as may be amended, from time to time.*

*All references in this document to "U.S. dollars", "U.S.\$", "\$", "USD" and "U.S. cent" refer to the lawful currency of the United States of America, those to "Japanese Yen", "Yen", "JPY" and "¥" refer to the lawful currency of Japan, those to "Sterling", "GBP" and "£" refer to the lawful currency of the United Kingdom, those to "Swiss Francs" and "CHF" refer to the lawful currency of Switzerland, those to "HKD" or "Hong Kong Dollars" refer to the lawful currency of Hong Kong and those to "EUR", "euro" and "€" refer to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.*

*In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.*

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## SUMMARY OF THE BASE PROSPECTUS

*[The following text which comprises the form of Summary applies to Non-exempt Notes only and is provided in accordance with Article 5.2 of the Prospectus Directive]*

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

### Section A – Introduction and warnings

Element		
A.1	Warning	<ul style="list-style-type: none"> <li>• <b>This summary should be read as an introduction to the Base Prospectus.</b></li> <li>• <b>Any decision to invest in the Notes should be based on consideration of this Base Prospectus as a whole by the investor.</b></li> <li>• <b>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated; and</b></li> <li>• <b>Civil liability attaches only to those persons who have tabled this summary including any translation hereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in such Notes.</b></li> </ul>
A.2	Consent for use of Base Prospectus	<p>[Not Applicable – the Notes are not being offered to the public as part of a Non-exempt Offer][The Notes (which have a denomination of less than €100,000 (or its equivalent in any other currency)) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "<b>Non-exempt Offer</b>".]</p> <p>[<i>Consent:</i> Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer of Notes by the [Dealer(s)/Manager(s)] [, [<i>names of specific financial intermediaries listed in final terms,</i>] [and] [each financial intermediary whose name is published on the Issuer's website (<a href="http://www.bgl.lu">www.bgl.lu</a>) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer] [and any financial intermediary which is</p>

Element		
		authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):
		<p>"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the "<b>Notes</b>") described in the Final Terms dated [insert date] (the "<b>Final Terms</b>") published by BGL BNP Paribas (the "<b>Issuer</b>"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [specify member state(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), and confirm that we are using the Base Prospectus accordingly." ]</p> <p><i>Offer period:</i> The Issuer's consent referred to above is given for Non-exempt Offers of Notes during [offer period for the issue to be specified here] (the "<b>Offer Period</b>").</p> <p><i>Conditions to consent:</i> The conditions to the Issuer's consent [(in addition to the conditions referred to above)] are that such consent (a) is only valid during the Offer Period; and (b) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in [specify each relevant Member State in which the particular Tranche of Notes can be offered].</p> <p><b>AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER . ]</b></p>

### Section B – Issuer

Element	Title	
<b>B.1</b>	Legal and commercial name of the Issuer	BGL BNP Paribas (the " <b>Issuer</b> ", the " <b>Bank</b> " or " <b>BGL</b> ").



Element	Title	
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer was incorporated with limited liability, and operates, under the laws of the Grand Duchy of Luxembourg as a limited liability company ( <i>société anonyme</i> ). The Issuer is domiciled in Luxembourg (for which purposes "domiciled" in Luxembourg means that the registered office of the Issuer is located in Luxembourg) having its registered office at 50, avenue J.F. Kennedy, L-2951 Luxembourg, Grand Duchy of Luxembourg.
B.4b	Trend information	<p><b><i>Macro-economic environment</i></b></p> <p>Macroeconomic and market conditions affect BGL's results. The nature of BGL's business makes it particularly sensitive to macroeconomic and market conditions in Europe, which have been at times challenging and volatile in recent years.</p> <p>In 2016, global growth stabilised slightly above 3 per cent., despite a much lower growth in the advanced economies. Three major transitions continue to affect the global outlook: declining economic growth in China, fluctuating energy prices that rose in 2016, and a second tightening of monetary policy in the United States in the context of a resilient domestic recovery. It should be noted that the central banks of several large developed countries continue to maintain accommodative monetary policies. IMF economic forecasts for 2017<sup>1</sup> point to a recovery in global activity, no significant improvement in growth in the euro zone and Japan, and a slowdown in the United Kingdom.</p> <p><b><i>Financial instability due to the vulnerability of emerging countries</i></b></p> <p>A broad increase in the foreign exchange liabilities of the economies of many emerging market economies was observed in 2016, at a time when debt levels (in both foreign and local currency) were already high. The private sector was the main source of the increase in this debt. Furthermore, the prospect of a gradual increase in US key rates (the Federal Reserve Bank made its first increase in December 2015, and a second in December 2016) and increased financial volatility stemming from concerns about growth and mounting geopolitical risk in emerging markets have contributed to a tightening of external financial conditions, increased capital outflows, further currency depreciations in many emerging markets and heightened risks for banks. These factors could result in further downgrades of sovereign ratings.</p> <p>There is still a risk of disturbances in global markets (rising risk premiums, erosion of confidence, declining growth, deferral or slower pace of normalisation of monetary policies, declining liquidity in markets, asset valuation problems, decline in credit supply and disorderly deleveraging) that could affect all banking institutions.</p>

<sup>1</sup> See notably: IMF – World Economic Outlook, updated in January 2017.

Element	Title	
		<p><i>Systemic risks related to economic conditions and market liquidity</i></p> <p>Despite the upturn since mid-2016, interest rates remain low, which may continue to encourage excessive risk-taking among some players in the financial system: increased maturities of financing and assets held, less stringent policy for granting loans, increase in leveraged financing.</p> <p>Some players (insurance companies, pension funds, asset managers, etc.) entail an increasingly systemic dimension and in the event of market turbulence (linked for instance to a sudden rise in interest rates and/or a sharp price correction) they may decide to unwind large positions in an environment of relatively weak market liquidity.</p> <p>Recent years have also seen an increase in debt (public and private, in both developed and emerging countries). The resulting risk could materialise either in the event of a spike in interest rates or a further negative growth shock.</p> <p><b><i>Laws and Regulations Applicable to Financial Institutions</i></b></p> <p>Recent and future changes in the laws and regulations applicable to financial institutions or their business activities may have a significant impact on BGL. Measures that were recently adopted or which are (or whose application measures are) still in draft format, that have or are likely to have an impact on BGL notably include:</p> <ul style="list-style-type: none"> <li>- the structural reforms comprising the French banking law of 26 July 2013 requiring that banks create subsidiaries for or segregate "speculative" proprietary operations from their traditional retail banking activities, the "Volcker rule" in the US which restricts proprietary transactions, sponsorship and investment in private equity funds and hedge funds by US and foreign banks, and upcoming potential changes in Europe;</li> <li>- regulations governing capital: the Capital Requirements Directive IV ("<b>CRD 4</b>") / the Capital Requirements Regulation ("<b>CRR</b>") and proposed amendments to these (see below), the international standard for total loss-absorbing capacity ("<b>TLAC</b>") and BGL has been identified as "other systemically important institutions" within the meaning of Article 59-3 of the Law of 5 April 1995 on the financial sector;</li> <li>- the European Single Supervisory Mechanism and the ordinance of 6 November 2014;</li> <li>- the Directive of 16 April 2014 related to deposit guarantee systems and its delegation and implementing decrees, the Directive of 15 May 2014 establishing a Bank Recovery and Resolution framework (Directive 2014/59/EU, the "<b>BRRD</b>")</li> </ul>

Element	Title	
		<p>and proposed amendments to the BRRD, the Single Resolution Mechanism establishing the Single Resolution Council and the Single Resolution Fund (the "<b>SRM Regulation</b>" and proposed amendments to the SRM Regulation);</p> <ul style="list-style-type: none"> <li>– the Final Rule by the US Federal Reserve imposing tighter prudential rules on the US transactions of large foreign banks, notably the obligation to create a separate intermediary holding company in the US (capitalised and subject to regulation) to house their US subsidiaries;</li> <li>– the new rules for the regulation of over-the-counter derivative activities pursuant to Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, notably margin requirements for uncleared derivative products and the derivatives of securities traded by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, and the rules of the US Securities and Exchange Commission which require the registration of banks and major swap participants active on derivatives markets as well as transparency and reporting on derivative transactions;</li> <li>– the new Markets in Financial Instruments Directive ("<b>MiFID II</b>") and Markets in Financial Instruments Regulation ("<b>MiFIR</b>"), and the Regulation on OTC derivative transactions, central counterparties and trade repositories (Regulation (EU) No 648/2012 ("<b>EMIR</b>") governing (among other things) the clearing of certain over-the-counter derivative products by centralised counterparties, reporting of all derivative transactions and risk mitigation requirements (including, in some cases, margin requirements) for uncleared derivatives and proposed amendments to EMIR published on 4 May 2017;</li> <li>– the regulation on the reporting and transparency of securities financing transactions (Regulation (EU) 2015/2365, the "<b>SFTR</b>");</li> <li>– the regulation on key information documents for packaged retail and insurance-based investment products (the "<b>PRIIPs Regulation</b>") in relation to drawing up, publishing and providing a key information document ("<b>KID</b>") for PRIIPs made available to retail investors;</li> <li>– the new market abuse regulation ("<b>MAR</b>", Regulation (EU) 596/2014);</li> <li>– the rules for the regulation of administration of, contribution to and use of benchmarks in the Union pursuant to the EU Benchmarks Regulation (the "<b>EU Benchmarks Regulation</b>", Regulation (EU) 2016/1011);</li> </ul>

Element	Title	
		<ul style="list-style-type: none"> <li>– the Capital Markets Union ("CMU") initiative, including the new Prospectus Regulation ("PD3") and the simple, transparent and standardised ("STS") securitisation initiative;</li> <li>– proposed amendments to the Capital Requirements Directive and Regulation, commonly referred to as CRD V/CRR II. The proposed directive and accompanying regulation finalise Basel III in Europe and implement the revisions to capital and liquidity standards agreed globally at the Basel Committee for Banking Supervision.</li> </ul> <p><b>Cyber risk</b></p> <p>In recent years, financial institutions have been impacted by a number of cyber incidents, notably involving large-scale alterations of data which compromise the quality of financial information. This risk remains today and BGL, like other banks, has taken measures to implement systems to deal with cyber attacks that could destroy or damage data and critical systems and hamper the smooth running of its operations. Moreover, the regulatory and supervisory authorities are taking initiatives to promote the exchange of information on cyber security and cyber criminality in order to improve the security of technological infrastructures and establish effective recovery plans after a cyber incident.</p> <p>More generally, regulators and legislators in any country may, at any time, implement new or different measures that could have a significant impact on the financial system in general or BGL in particular.</p> <p>Save as set out above, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on BGL BNP Paribas' prospects for the current financial year.</p>
<b>B.5</b>	Description of the Group	BGL is a subsidiary of BNP Paribas Fortis SA/NV which is in turn a subsidiary of BNP Paribas. BNP Paribas (" <b>BNPP</b> ") is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 74 countries with more than 192,000 employees, including around 146,000 in Europe. BNPP is the parent company of the BNP Paribas Group (the " <b>BNPP Group</b> ").
<b>B.9</b>	Profit forecast or estimate	Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.
<b>B.10</b>	Audit report qualifications	Not applicable, there are no qualifications in any audit report on the historical financial information included in the Base Prospectus.
<b>B.12</b>	Selected historical key financial information:	<b>Comparative Annual Financial Data – In millions of EUR</b>

Element	Title			
			<b>31/12/2016</b>	<b>31/12/2015</b>
		Net banking income	1,352.2	1,373.5
		Cost of risk	(52.6)	(48.8)
		Net Income, Group share	403.2	357.9
		Common Equity Tier 1 Ratio	23.1%	22.3%
		Tier 1 Ratio	23.1%	22.3%
		Total consolidated balance sheet	44,980.2	43,214.8
		Consolidated loans and receivables due from customers	26,580.9	25,626.9
		Consolidated items due to customers	23,852.8	21,150.6
		Shareholders' equity (Group share)	6,542.1	6,277.5
	No material adverse change statement	There has been no material adverse change in the prospects of the Issuer since 31 December 2016.		
	Significant changes in the financial or trading position	Not applicable - There has been no significant change in the financial or trading position of the Issuer since 31 December 2016.		
<b>B.13</b>	Events impacting the Issuer's solvency	Not applicable, as at the date of the Base Prospectus and to the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 31 December 2016.		
<b>B.14</b>	Dependence upon other group entities	<p>BGL has certain IT dependency upon other entities within the BNPP Group which may be summarised as follows:</p> <ul style="list-style-type: none"> <li>• BGL's corporate and institutional banking (CIB) business shares most of its front and back-office IT platforms with BNPP; and</li> <li>• Other business lines and functions share various platforms with other entities within the BNPP Group, but not necessarily to the same extent as the CIB business.</li> </ul> <p>See also Element B.5 above.</p>		

Element	Title	
B.15	Principal activities	BGL is active in the following areas: Retail and Corporate Banking Luxembourg ( <i>Banque de détail et des entreprises Luxembourg</i> ), Wealth Management and Corporate and Institutional Banking.
B.16	Controlling shareholders	BNP Paribas Fortis SA/NV holds 50 per cent. plus 1 share of the share capital of BGL. The remaining share capital is held by BNP Paribas (15.96 per cent.) and the Grand Duchy of Luxembourg (34 per cent.). BNP Paribas is also the controlling shareholder of BNP Paribas Fortis SA/NV.
B.17	Credit ratings	<p>BGL's long-term credit ratings are A1 with a stable outlook (Moody's France S.A.S ("<b>Moody's</b>")), A with a stable outlook (Standard &amp; Poor's Credit Market Services France S.A.S ("<b>S&amp;P</b>")) and A+ with a stable outlook (Fitch France S.A.S ("<b>Fitch</b>")).</p> <p>BGL's short-term credit ratings are P-1 (Moody's), A-1 (S&amp;P) and F1 (Fitch).</p> <p>Moody's credit ratings in respect of the Programme is (P)A2 (Senior Unsecured). S&amp;P's credit ratings in respect of the Programme are: (i) A (Senior Unsecured Debt maturing in one year or more) and (ii) A-1 (Senior Unsecured Debt maturing in less than one year). Fitch's credit ratings in respect of the Programme are A+ (long-term senior unsecured) and F1 (short-term senior unsecured).</p> <p>The Notes [[have been/are expected to be] rated [<i>specify rating(s) of Tranche being issued</i>] by [<i>specify rating agent(s)</i>]][are not rated].</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>

### Section C – Securities

Element	Title	
C.1	Type and Class	<p>The Notes described in this section are [debt] [derivative] securities with a denomination of less than €100,000 (or its equivalent in any other currency).</p> <p>[The Notes are [£/€/U.S.\$/other] [●] [[●] per cent./Fixed Rate Notes/Floating Rate/Zero Coupon/Inflation Index-Linked [Interest/Redemption]/Foreign Exchange (FX) Rate-Linked [Interest/Redemption]/Underlying Interest Rate-Linked Interest/Equity Index-Linked [Interest/Redemption]/[Specify a combination of the foregoing]] Notes due [●].]</p> <p>[The Notes are [Euro Notes and the Euro Note Conditions apply]][Luxembourg Notes and the Luxembourg Note Conditions apply].</p>

Element	Title	
		<p>International Securities Identification Number ("ISIN"): [●]</p> <p>The Notes will be consolidated and form a single series with [<i>identify earlier Tranches</i>] on [the Issue Date/ exchange of the Temporary Global Note for interests in the Permanent Global Note, which is expected to occur on or about [●]]]</p>
C.2	Currency	The currency of this Series of Notes is [Pounds Sterling ("£")/Euro ("€")/U.S. dollars ("U.S.\$")/Other ("●")].
C.5	Restrictions on transferability	Not Applicable. The Notes will be freely transferable, subject to the offering and selling restrictions in Belgium, France, the United Kingdom, Switzerland, Hong Kong, Japan, the United States of America and under the Prospectus Directive and the laws of any other jurisdiction in which the relevant Notes are offered or sold.
C.8	Rights attached to the Notes, including ranking and limitations on those rights	<p>The Notes have terms and conditions relating to, among other matters:</p> <p><b>Status</b></p> <p>The Notes constitute direct, unconditional, unsubordinated and [<i>insert in the case of Euro Notes only: (subject to the provisions of the Issuer's negative pledge below)</i>] unsecured obligations of the Issuer and shall, at all times, rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p><b>Taxation</b></p> <p>All payments in respect of Notes will be made without deduction for or on account of withholding taxes imposed by the Grand Duchy of Luxembourg unless such withholding or deduction is required by law. In the event that any deduction is made, the Issuer will [not][, save in certain limited circumstances be required to] pay additional amounts to cover the amounts deducted for or on account of the withholding taxes described above.</p> <p>All payments in respect of the Notes will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto and (b) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "<b>Code</b>") and (c) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the</p>

Element	Title	
		<p>Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.</p> <p><i>[Insert in the case of Euro Notes: Issuer's negative pledge</i></p> <p>The terms of the Notes contain a negative pledge provision pursuant to which the Issuer undertakes that so long as any of the Notes remain outstanding, 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 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 of the Noteholders.]</p> <p><b><i>Events of default</i></b></p> <p>The terms of the Notes will contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> <li>(a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;</li> <li>(b) default in performance or observance by the Issuer of any of its other obligations under the conditions of the Notes, in certain cases continuing for a specified period of time;</li> <li>(c) 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;</li> <li>(d) 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 and such enforcement or step is not stayed or discharged within 21 days;</li> <li>(e) the Issuer ceases to carry on business (except for the purpose of any permitted amalgamation, merger or other reorganisation under which the continuing or successor corporation has assumed all of the assets and business undertakings of the Issuer;</li> </ul>



Element	Title	
		<p>[and]</p> <p>(f) <i>[Insert in the case of Euro Notes:</i> (i) 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 ("<b>Relevant Indebtedness</b>") becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or the creditor thereof, or (ii) 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 (iii) 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 (f) 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); and]</p> <p>(g) events relating to the liquidation or dissolution of the Issuer.</p> <p><b>Governing law</b></p> <p><i>[Insert in the case of Euro Notes:</i> The Euro Notes and all non-contractual obligations arising out of or in connection with them are governed by English law.]</p> <p><i>[Insert in the case of Luxembourg Notes:</i> The Luxembourg Notes are governed by Luxembourg law.]</p>
[C.9]	Interest/Redemption	<p><b>Interest</b></p> <p>[The Notes do not bear interest[ and will be offered and sold at a discount to their nominal amount].]</p> <p>[The Notes bear interest [from their date of issue/from [●]] at the fixed rate of [●] per cent. per annum.] [The yield of the Notes is [●] per cent.] [Interest will be paid [annually] in arrear on [●] in each year [at an amount equal to [<i>insert currency</i>][<i>insert Fixed Coupon Amount</i>] in respect of each Note].] [The first interest payment will be made on [●]].]</p>

Element	Title	
		<p>The Notes bear interest [from their date of issue/from [●]] [at floating rates calculated by reference to [LIBOR/EURIBOR][<i>insert ISDA Rate</i>] [plus/minus] [a margin of [●] per cent.]] [Interest will be paid [annually/semi-annually/quarterly] in arrear on [●] and [●] in each year[, subject to adjustment for non-business days].] [The first interest payment will be made on [●].] [The rate of interest payable will be calculated by reference to the performance of [<i>insert inflation index or inflation indices</i>] [<i>insert foreign exchange rate(s)</i>] [<i>insert underlying interest rate(s)</i>] [<i>insert equity index</i>].] [The Rate of Interest will be [FI Digital Coupon] [Range Accrual Coupon] [Combination Floater Coupon] [PRDC Coupon] [FI Digital Floor Coupon] [FI Digital Cap Coupon][FI Target Coupon][FI FX Vanilla Coupon][FI Digital Plus Coupon] [SPS Variable Amount Coupon] and will be determined as follows:</p> <p><i>[Insert formula, relevant value(s), relevant payout description and other related provisions from Payout Conditions].</i></p> <p>[The [minimum][maximum] rate of interest will be [●].]</p> <p><b>Redemption</b></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] at [par/[<i>specify a percentage of at least 100%</i>] per cent. of their nominal amount]. <i>(This Element relates to debt securities under Annex V and therefore no redemption formula may be inserted in this Element. If the redemption amount is other than at least 100% of the nominal amount, Element C.18 should be completed)</i></p> <p>The Notes may, at the option of the Issuer, be redeemed early for tax reasons or due to illegality at the Early Redemption Amount.</p> <p>[The Early Redemption Amount applicable following [an early redemption [for tax reasons] [and/or] [due to illegality] is [par/[●] per cent. of their nominal amount/the fair market value of such Note less costs on the date of the notice of redemption] <i>(to be repeated as necessary if different Early Redemption Amounts apply)</i>.]</p> <p><i>[Include if applicable: The Notes may be redeemed early at the option of the [Issuer (an "Issuer Call")][Noteholders (a "Noteholder Put")]] at the Optional Redemption Amount. The Optional Redemption Amount is an amount per Note equal to [<i>insert currency</i>][<i>insert amount</i>] per Calculation Amount.]]</i></p>

Element	Title	
		<p><i>[Include if Inflation Index-Linked Notes: The Notes may also be redeemed early following the occurrence of certain disruption, adjustment, extraordinary or other events relating to the underlying inflation index(ices).]</i></p> <p><i>[Include if Foreign Exchange (FX) Rate-Linked Notes: The Notes may also be redeemed early following the occurrence of certain disruption events relating to the underlying foreign exchange rate(s).]</i></p> <p><i>[Include if Equity Index-Linked Notes: The Notes may also be redeemed early following the occurrence of certain disruption, adjustment, extraordinary or other events relating to the underlying equity index(ices).]</i></p> <p><b>Representative of holders</b></p> <p>Not Applicable – No representative of the Noteholders has been appointed by the Issuer.</p> <p>Please also refer to Element C.8.</p> <p><b>Meetings</b></p> <p>The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.]</p>
<b>[C.10]</b>	Derivative component in the interest payments	<p>[Not applicable – there is no derivative component in the interest payment][Payments of interest will be determined by reference to the performance of certain specified underlying reference(s).</p> <p><i>[Insert “Description of the Payout” from the relevant Payout Condition(s)]</i></p> <p>Please also refer to Element [C.9.]</p>
<b>C.11</b>	Admission to trading on a regulated market	<p>Notes issued under the Programme may be admitted to trading on the Luxembourg Stock Exchange or such other stock exchange or market specified below, or may not be admitted to trading basis.<sup>2</sup></p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the [Luxembourg/Belgium Stock Exchange.]] [Not Applicable</p>

<sup>2</sup>

Delete when completing issue-specific summary

Element	Title	
		- the Notes are not intended to be admitted to trading on any regulated market [but application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [insert relevant unregulated market]].]
[C.15]	Any underlying which may affect the value of the Notes	<p>[The amount payable in respect of interest for the Notes will be calculated by reference to a [single][basket of] [inflation ind[ex][ices]][currenc[y][ies]][underlying interest rate[s]] [equity index].]</p> <p>[The amount payable on redemption of the Notes will be calculated by reference to a [single][basket of] [inflation ind[ex][ices]][currenc[y][ies]] [equity index]].]</p> <p>[Not Applicable – there are no underlying reference assets applicable to the Notes.]</p> <p>[Insert “Description of the Payout” from the relevant Payout Condition(s)]</p>
[C.16]	Exercise date/final reference date	The maturity date of the Notes will be [insert date] (the “ <b>Maturity Date</b> ”).]
[C.17]	Settlement procedure of derivative securities	These Notes are cash settled.]
[C.18]	Return on derivative securities	<p>See item C.8 above for the rights attaching to the Notes.</p> <p>[Information on interest in relation to the Notes is set out in Element [C.9 above.]<sup>3</sup></p> <p><b>Final Redemption</b></p> <p>Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount.</p> <p>The Final Redemption Amount applicable to the Notes is an amount per Note equal to [the Calculation Amount multiplied by [insert percentage]][the Final Payout.</p> <p>The Notes are [FI FX Vanilla Notes] [FI Inflation Notes] [Vanilla Call Notes] [Certi plus: Generic Knock-in Notes] [SPS Securizer Notes] [SPS Capped Twin Win Notes] [SPS Athena Notes]. Accordingly, the Final Payout will be calculated as follows:</p> <p>[Insert formula, relevant value(s), relevant payout</p>

<sup>3</sup>

In the case of an issue-specific summary for Notes which are derivative securities for the purposes of Commission Regulation (EC) No. 809/2004 (as amended), delete this wording and insert summary of interest disclosure from Element C.9 here, as appropriate

Element	Title	
		<p><i>description and other related provisions from Payout Conditions].]</i></p> <p><b>[Automatic Early Redemption]</b></p> <p>If an Automatic Early Redemption Event occurs [on any Automatic Early Redemption Valuation Date][in respect of an Automatic Early Redemption Valuation Period], the Notes will be redeemed early at the Automatic Early Redemption Amount on the Automatic Early Redemption Date.</p> <p>The Automatic Early Redemption Amount in respect of each nominal amount of Notes equal to [●] (the "<b>Calculation Amount</b>") will be [the Automatic Early Redemption Payout][an amount equal to the product of (i) the Calculation Amount and (ii) the sum of the relevant Automatic Early Redemption Percentage and the relevant AER Rate specified in the applicable Final Terms relating to the Automatic Early Redemption Valuation [Date/Period].</p> <p>[The Automatic Early Redemption Payout is [Target Automatic Early Redemption][FI Underlying Automatic Early Redemption][FI Coupon Automatic Early Redemption][SPS Automatic Early Redemption Payout]. Accordingly, the Automatic Early Redemption Payout will be calculated as follows:</p> <p><i>[Insert formula, relevant value(s), relevant payout description and other related provisions from Payout Conditions]</i></p> <p><b>"Automatic Early Redemption Event"</b> means <i>[insert in the case of Automatic Early Redemption for Foreign Exchange (FX) Rate-Linked Notes: [the value of the Subject Currency][the sum of the values of each Subject Currency (determined as the product of (i) the value of the Subject Currency and (ii) the relevant weighting)] is [greater than or equal to][greater than][less than or equal to][less than] [●] (the "Automatic Early Redemption Level")]</i> <i>[insert in the case of Target Automatic Early Redemption: the Cumulative Coupon is equal to or greater than [●] (the "Automatic Early Redemption Percentage")]</i><i>[insert in the case of a FI Underlying Automatic Early Redemption: the [specify Underlying Reference Level] is equal to or greater than [●] (the "Automatic Early Redemption Percentage Down") and less than or equal to [●] (the "Automatic Early Redemption Percentage Up")]</i><i>[insert in the case of a FI Coupon Automatic Early Redemption: the product of the rate of interest and the applicable day count fraction in respect of the Current Interest Period is equal to or greater</i></p>

Element	Title	
		<p>than [●] (the "<b>Automatic Early Redemption Percentage</b>")<i>[insert in the case of Standard Automatic Early Redemption: the [insert in the case of a single underlying asset: Underlying Reference Level][insert in the case of a basket of underlying assets: Basket Price] is [greater than][greater than or equal to][less than][less than or equal to] [insert level(s) in respect of Automatic Early Redemption Valuation Dates] (the "<b>Automatic Early Redemption Level</b>")]. [insert where SPS AER Valuation is applicable: [insert where SPS Automatic Early Redemption Event 1 is applicable: [specify SPS AER Value 1] in respect of [specify relevant Underlying Reference] is [greater than or equal to][greater than][less than or equal to][less than] [●] (the "<b>Automatic Early Redemption Level 1</b>") [insert where SPS Automatic Early Redemption Event 2 is applicable: [and/or] [specify SPS AER Value 2] in respect of [specify relevant Underlying Reference] is [greater than or equal to][greater than][less than or equal to][less than] [●] (the "<b>Automatic Early Redemption Level 2</b>")]] [insert where SPS AER Valuation is not applicable: [insert where SPS Automatic Early Redemption Event 1 is applicable: [insert where AER Event 1 Basket is not applicable: the level of [specify relevant Underlying Reference]][insert where AER Event 1 Basket is applicable: the sum of the values of each of [specify relevant Underlying Reference] (determined as the product of (i) the level of the Underlying Reference and (ii) the relevant weighting)) is [greater than or equal to][greater than][less than or equal to][less than] [●] (the "<b>Automatic Early Redemption Level 1</b>") [insert where SPS Automatic Early Redemption Event 2 is applicable: [and/or] [insert where AER Event 2 Basket is not applicable: the level of [specify relevant Underlying Reference]][insert where AER Event 2 Basket is applicable: the sum of the values of each of [specify relevant Underlying Reference] (determined as the product of (i) the level of the Underlying Reference and (ii) the relevant weighting)) is [greater than or equal to][greater than][less than or equal to][less than] [●] (the "<b>Automatic Early Redemption Level 2</b>")]]] ["<b>Automatic Early Redemption Valuation Date</b>" means [●], subject to adjustment.]</i></p> <p>["<b>Automatic Early Redemption Valuation Period</b>" means [●].]</p> <p>["<b>Automatic Early Redemption Date</b>" means the Interest Payment Date immediately following the Automatic Early Redemption Valuation Date on which an Automatic Early Redemption Event occurs.]</p> <p>["<b>Basket Price</b>" means, in respect of an Automatic Early Redemption Valuation Date, an amount determined by the</p>

Element	Title	
		<p>Calculation Agent equal to the sum of the values for each underlying reference as the product of (a) [<i>specify the Underlying Reference Level</i>] of such underlying reference on such Automatic Early Redemption Valuation Date and (b) the relevant weighting.]</p> <p>["<b>Cumulative Coupon</b>" 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 applicable day count fraction, in each case for such interest period plus (b) the product of (i) the rate of interest and (ii) the applicable day count fraction, in each case for the Current Interest Period.]</p> <p>["<b>Current Interest Period</b>" means, in respect of an Automatic Early Redemption Valuation Date, the interest period during which such Automatic Early Redemption Valuation Date falls.]]]</p>
[C.19]	Exercise price/final reference price of the underlying	[Not applicable, there is no final reference price of the Underlying.] [The final reference price of the Underlying Reference will be determined in accordance with the valuation mechanics set out in [C.18 above.]]
[C.20]	Underlying	<p>The underlying reference(s) in relation to the Notes [is/are] [a/an] [single/basket of] [foreign exchange rate[s]] [inflation ind[ex][ices]][underlying interest rate[s] [equity index]] as further described in Element [C.18 above.</p> <p>Information relating to [<i>insert name of Underlying(s)</i>] can be found at [<i>insert details of where information on the underlying can be found. This may include reference to relevant screen pages or websites, as appropriate.</i>]]</p>

## Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer	<p>In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially</p>

Element	Title	
		<p>adversely affect its business and ability to make payments due under the Notes. These factors include:</p> <p>The following risk factors relate to the business of BGL:</p> <ul style="list-style-type: none"> <li>(a) Difficult market and economic conditions including, without limitation, concerns regarding the ability of certain countries in the Eurozone to refinance their debt obligations, could in the future have a material adverse effect on the operating environment for financial institutions and hence on BGL's financial condition, results of operations and cost of risk.</li> <li>(b) Legislative action and regulatory measures taken in response to the global financial crisis may materially impact BGL and the financial and economic environment in which it operates.</li> <li>(c) BGL's access to and cost of funding could be adversely affected by a further deterioration of the euro-zone sovereign debt crisis, worsening economic conditions, a ratings downgrade, increases in credit spreads or other factors.</li> <li>(d) The prolonged low interest rate environment carries inherent systematic risks.</li> <li>(e) Risks related to the implementation of BNPP Group's strategic plans.</li> <li>(f) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BGL's results of operations and financial condition.</li> <li>(g) BGL may incur significant losses on its trading and investment activities due to market fluctuations and volatility.</li> <li>(h) BGL may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.</li> <li>(i) Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibility leading to material losses.</li> <li>(j) BGL is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.</li> <li>(k) Significant interest rate changes could adversely affect BGL's revenues or profitability.</li> </ul>



Element	Title	
		<p>(l) The prolonged low interest rate environment carries interest systemic risks</p> <p>(m) The soundness and conduct of other financial institutions and market participants could adversely affect BGL.</p> <p>(n) BGL's competitive position could be harmed if its reputation is damaged.</p> <p>(o) An interruption in or a breach of BGL's information systems may result in lost business and other losses.</p> <p>(p) Unforeseen external events can interrupt BGL's operations and cause substantial losses and additional costs.</p> <p>(q) Notwithstanding BGL's risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses.</p> <p>(r) BGL's hedging strategies may not prevent losses.</p> <p>(s) Intense competition in the financial services industry could adversely affect BGL revenues and profitability.</p> <p>(t) Litigation or other proceedings or actions may adversely affect BGL's business, financial condition and results of operations.</p> <p>(u) A deterioration of the credit rating of BNP Paribas of its debt quality could adversely affect BGL.</p> <p>(v) While each of BGL's businesses manages its operational risks, these risks remain an inherent part of all of the BGL's businesses.</p> <p>(w) BGL has significant counterparty risk exposure and exposure to systemic risks.</p> <p>(x) Uncertainty linked to fair accounting value and use of estimates by BGL.</p> <p>(y) Adjustments to the carrying value of BGL's securities and derivatives portfolios and BGL's own debt could have an impact on its net income and shareholders' equity.</p> <p>(z) The expected changes in accounting principles relating to financial instruments may have an</p>

Element	Title	
		impact on BGL's balance sheet and regulatory capital ratios and result in additional costs.
[D.3]	Key risks regarding the Notes	<p>[There are certain factors which are material for the purposes of assessing the market risks associated with Notes issued under the Programme, including that [Notes including leverage involve a higher level of risk and whenever there are losses on such Notes those losses may be higher than those of a similar security which is not leveraged,] [the trading price of the Notes is affected by a number of factors including, but not limited to, the price of the relevant underlying reference(s), time to expiration or redemption and volatility and such factors mean that the trading price of the Notes may be below the Final Redemption Amount,] [exposure to the underlying reference in many cases will be achieved by the Issuer entering into hedging arrangements and, in respect of Notes linked to an underlying reference, potential investors are exposed to the performance of these hedging arrangements and events that may affect the hedging arrangements and consequently the occurrence of any of these events may affect the value of the Notes,] [indices which are deemed "benchmarks" are subject of recent national, international and other regulatory guidance and reform, including the new European regulation, which could potentially lead to the disappearance of certain "benchmarks", or to the Notes being adjusted, delisted, redeemed or otherwise impacted,] [the Notes may have a minimum trading amount and if, following the transfer of any Notes, a Holder holds fewer Notes than the specified minimum trading amount, such Holder will not be permitted to transfer their remaining Notes prior to expiration or redemption, as applicable, without first purchasing enough additional Notes in order to hold the minimum trading amount,] [the Notes may be subject to optional redemption by the Issuer which is likely to limit their market value,] [the occurrence of an additional disruption event or optional additional disruption event may lead to an adjustment to the Notes, or early redemption or may result in the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption and consequently the occurrence of an additional disruption event and/or optional additional disruption event may have an adverse effect on the value or liquidity of the Notes,][[expenses and ]taxation may be payable in respect of the Notes,] [the Global Notes are held by or on behalf of the clearing systems, therefore investors will have to rely on their procedures for transfer, payment and communication with the Issuer. The Issuer will discharge its payment obligations under the Notes by making payments to the relevant common depositary for the relevant clearing system for distribution to their account holders. The Issuer will have no responsibility for the proper performance by the clearing systems relating to</p>

Element	Title	
		<p>payments made in respect of, the Notes within any relevant clearing system,] [the Notes may be redeemed in the case of illegality or impracticability and such cancellation or redemption may result in an investor not realising a return on an investment in the Notes,][the meetings of Holders provisions permit defined majorities to bind all Holders,][any judicial decision or change to an administrative practice or change to English law or Luxembourg law, as applicable, after the date of the Base Prospectus could materially adversely impact the value of any Notes affected by it,][a reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by a credit rating agency could result in a reduction in the trading value of the Notes,][ certain conflicts of interest may arise (see Element E.4 below),][ the only means through which a Holder can realise value from the Notes prior to its Maturity Date or Redemption Date, as applicable, is to sell it at its then market price in an available secondary market and that there may be no secondary market for the Notes (which could mean that an investor has to exercise or wait until redemption of the Notes to realise a greater value than its trading value),] [purchasing Notes as a hedge instrument may not be effective] and the conditions of the Notes contain provisions which may permit their modification without the consent of all investors.</p> <p>[In addition, there are specific risks in relation to Notes the interest component of which is linked to an underlying reference and an investment in such Notes will entail significant risks not associated with an investment in a conventional debt security. Risk factors in relation to such Notes include: <i>[Insert in the case of Inflation Index-Linked Notes: exposure to an inflation index, market disruption,][Insert in the case of Foreign Exchange (FX) Rate-Linked Notes: exposure to a foreign exchange rate, similar market risks to a direct currency investment, market disruption] [Insert in the case of Underlying Interest Rate-Linked Notes: exposure to an interest rate] [Insert in the case of Equity Index Linked Notes: exposure to one or more index, adjustment events and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Notes] [, the Holder will have no ownership interest in the relevant underlying reference] [, the holder will have no claim against the relevant underlying reference in respect of the Notes] [and that the Issuer will not provide post-issuance information in relation to the underlying reference].]</i></p> <p>[Furthermore there are specific risks in relation to Notes linked to an underlying reference from an emerging or developing market (including, without limitation, risks associated with political and economic uncertainty, adverse</p>

Element	Title	
		<p>governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation and uncertainties as to status, interpretation and applicable of laws, increased custodian costs and administrative difficulties and higher probability of the occurrence of a disruption or adjustment event). Notes traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile.]</p> <p><i>[Insert if FX Settlement Disruption applies to the Notes: In certain circumstances (including, without limitation, as a result of restrictions on currency convertibility and transfer restrictions), it may not be possible for the Issuer to make payments in respect of the Notes in the Specified Currency specified in the applicable Final Terms. In these circumstances, the payment of principal and/or interest may occur at a different time and/or be made in USD and the market price of such Notes may be volatile].</i></p> <p>[In certain circumstances Holders may lose the entire value of their investment.]]</p>
[D.6	Risk warning	<p>[There are certain factors which are material for the purposes of assessing the market risks associated with Notes issued under the Programme, including that [Notes including leverage involve a higher level of risk and whenever there are losses on such Notes those losses may be higher than those of a similar security which is not leveraged,] [the trading price of the Notes is affected by a number of factors including, but not limited to, the price of the relevant underlying reference(s), time to expiration or redemption and volatility and such factors mean that the trading price of the Notes may be below the Final Redemption Amount,] [exposure to the underlying reference in many cases will be achieved by the Issuer entering into hedging arrangements and, in respect of Notes linked to an underlying reference, potential investors are exposed to the performance of these hedging arrangements and events that may affect the hedging arrangements and consequently the occurrence of any of these events may affect the value of the Notes,] [indices which are deemed "benchmarks" are subject of recent national, international and other regulatory guidance and reform, including the new European regulation, which could potentially lead to the disappearance of certain “benchmarks”, or to the Notes being adjusted, delisted, redeemed or otherwise impacted,] [the Notes may have a minimum trading amount and if, following the transfer of any Notes, a Holder holds fewer Notes than the specified minimum trading amount, such Holder will not be permitted to transfer their remaining Notes prior to expiration or redemption, as applicable, without first purchasing enough additional Notes in order to</p>

Element	Title	
		<p>hold the minimum trading amount,] [the Notes may be subject to optional redemption by the Issuer which is likely to limit their market value,] [the occurrence of an additional disruption event or optional additional disruption event may lead to an adjustment to the Notes, or early redemption or may result in the amount payable on scheduled redemption being different from the amount expected to be paid at scheduled redemption and consequently the occurrence of an additional disruption event and/or optional additional disruption event may have an adverse effect on the value or liquidity of the Notes,][expenses and ]taxation may be payable in respect of the Notes,] [the Global Notes are held by or on behalf of the clearing systems, therefore investors will have to rely on their procedures for transfer, payment and communication with the Issuer. The Issuer will discharge its payment obligations under the Notes by making payments to the relevant common depositary for the relevant clearing system for distribution to their account holders. The Issuer will have no responsibility for the proper performance by the clearing systems relating to payments made in respect of, the Notes within any relevant clearing system,] [the Notes may be redeemed in the case of illegality or impracticability and such cancellation or redemption may result in an investor not realising a return on an investment in the Notes,][the meetings of Holders provisions permit defined majorities to bind all Holders,][any judicial decision or change to an administrative practice or change to English law or Luxembourg law, as applicable, after the date of the Base Prospectus could materially adversely impact the value of any Notes affected by it,][a reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by a credit rating agency could result in a reduction in the trading value of the Notes,][ certain conflicts of interest may arise (see Element E.4 below),][ the only means through which a Holder can realise value from the Notes prior to its Maturity Date or Redemption Date, as applicable, is to sell it at its then market price in an available secondary market and that there may be no secondary market for the Notes (which could mean that an investor has to exercise or wait until redemption of the Notes to realise a greater value than its trading value),] [purchasing Notes as a hedge instrument may not be effective] and the conditions of the Notes contain provisions which may permit their modification without the consent of all investors.</p>

Element	Title	
		<p>[In addition, there are specific risks in relation to Notes which are linked to an underlying reference and an investment in such Notes will entail significant risks not associated with an investment in a conventional debt security. Risk factors in relation to such Notes include: <i>[Insert in the case of Inflation Index-Linked Notes:</i> exposure to an inflation index, market disruption, <i>][Insert in the case of Foreign Exchange (FX) Rate-Linked Notes:</i> exposure to a foreign exchange rate, similar market risks to a direct currency investment, market disruption] <i>[Insert in the case of Underlying Interest Rate-Linked Notes:</i> exposure to an interest rate] <i>[Insert in the case of Equity Index Linked Notes:</i> exposure to one or more index, adjustment events and market disruption or failure to open of an exchange which may have an adverse effect on the value and liquidity of the Notes] [, the Holder will have no ownership interest in the relevant underlying reference] [, the holder will have no claim against the relevant underlying reference in respect of the Notes] [and that the Issuer will not provide post-issuance information in relation to the underlying reference].]</p> <p>[Furthermore there are specific risks in relation to Notes linked to an underlying reference from an emerging or developing market (including, without limitation, risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation and uncertainties as to status, interpretation and applicable of laws, increased custodian costs and administrative difficulties and higher probability of the occurrence of a disruption or adjustment event). Notes traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile.]</p> <p>In the event of the insolvency of the Issuer or if it is otherwise unable or unwilling to repay the Notes when repayment falls due, an investor may lose all or part of his investment in the Notes. <b>[In addition, investors may lose all or part of their investment in the Notes as a result of the terms and conditions of the Notes.]</b></p>

## Section E – Offer

Element	Title	
E.2b	Use of proceeds	The net proceeds from each issue of Notes will be applied

Element	Title	
		by the Issuer [for its general corporate purposes] <i>[insert other use]</i> .
<b>E.3</b>	Terms and conditions of the offer	<p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealers at the time of issue. An investor intending to acquire or acquiring any Notes in a Non-exempt Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.<sup>4</sup></p> <p>[This issue of Notes is being offered in a Non-exempt Offer in [Belgium]/[,and] [France]/[,and] [Germany]/ [and] [Luxembourg]].</p> <p>The issue price of the Notes is [●] per cent. of their nominal amount.</p> <p><i>[Summarise any public offer, copying the language from paragraphs 9(i) and 11 of Part B of the Final Terms.]]</i></p>
<b>E.4</b>	Interest of natural and legal persons involved in the issue/offer	<p>The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.</p> <p>The [Dealers/Managers] will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes. Any [Dealer/Manager] and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, BGL and its respective affiliates in the ordinary course of business.</p>
		[Other than as mentioned above,[ and save for [●],] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]
<b>E.7</b>	Expenses charged to the investor by the Issuer or an Offeror	Not Applicable – No expenses will be charged to investors by the Issuer or an offeror.

<sup>4</sup>

Delete in the case of an issue-specific summary

## RISK FACTORS

*The following section applies to both Exempt Notes and Non-exempt Notes.*

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

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

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

*Before making an investment decision with respect to any Notes issued under the Programme, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this section.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

#### **Difficult market and economic conditions could in the future have a material adverse effect on the operating environment for financial institutions and hence on BGL's financial condition, results of operations and cost of risk**

As part of a global financial institution, BGL's businesses can be highly sensitive to changes in the financial markets and economic conditions generally in Europe (especially in Luxembourg and Belgium). In recent years, BGL has been, and may again in the future be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign debt, the capital markets, credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, volatility in prices of financial derivatives, inflation or deflation, corporate or sovereign debt rating downgrades, restructurings or defaults, or adverse political and geopolitical events (such as natural disasters, pandemics, societal unrest, geopolitical tensions, acts of terrorism and military conflicts). Such disruptions, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on BGL's financial condition, results of operations or cost of risk. In 2016, the macroeconomic environment could be subject to various specific risks, including geopolitical tensions, financial market volatility, slowdowns in China and emerging markets, weak growth in the Euro-zone, decreasing prices of commodities and the gradual unwinding of exceptionally accommodating monetary policies in the United States. Measures taken or that may be taken by central banks to stimulate growth and prevent deflation, including the "quantitative easing" measures announced by the European Central Bank (the "ECB") in January and December 2015, may prove to be insufficient or could have negative effects on the banking industry possibly bringing margin pressure but not necessarily lending volume growth.

Moreover, a resurgence of a sovereign debt crisis cannot be ruled out. In particular, European markets have experienced significant disruptions in recent years as a result of concerns regarding the ability of certain



countries in the Eurozone to refinance their debt obligations. At several points in recent years these disruptions caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union.

BGL holds and in the future may hold substantial portfolios of sovereign debt and has and may in the future have substantial amounts of loans outstanding to sovereign borrowers; a new sovereign debt crisis could cause it to incur impairment charges or losses on sales. BGL is also active in the interbank financial market and as a result, is indirectly exposed to risks relating to financial institutions with which it does business. More generally, the sovereign debt crisis has had, and could again in the future have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which BGL operates.

If economic conditions in Europe or in other parts of the world were to deteriorate due among other things to concerns over the European economy (in turn triggered by the heightened risk of, or even the occurrence of a sovereign default, the failure of a significant financial institution or the exit of a country from the euro zone), a continued decline in oil and commodity prices, a continued or increased slowdown of economic growth in emerging countries and China in particular, terrorist attacks or political instability, the resulting market and political disruptions could have a significant adverse impact on the credit quality of BGL's customers and financial institution counterparties, on market parameters such as interest rates, foreign exchange rates and stock market indices, and on BGL's results of operations, liquidity, ability to raise financing on acceptable terms and financial conditions.

**The United Kingdom's referendum to leave the European Union may lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets and hence may adversely affect BGL's operating environment.**

On 23 June 2016, the United Kingdom held a referendum in which a majority of its voters opted to leave the European Union ("**Brexit**") and on 29 March 2017 the UK Government has invoked Article 50 of the Lisbon Treaty relating to withdrawal. Under Article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. The United Kingdom will begin negotiations to determine its relationship with the European Union going forward, including regarding trade, financial and legal arrangements. The nature, timing and economic and political effects of Brexit remain highly uncertain and will depend upon the results of future negotiations between the United Kingdom and the European Union, and hence may adversely affect BGL's operating environment and therefore its results and financial condition.

**Legislative action and regulatory measures taken in response to the global financial crisis may materially impact BGL and the financial and economic environment in which it operates**

In the past few years, laws and regulations recently have been enacted, adopted or proposed in particular in Europe and the United States, with a view to introduce a number of changes, some permanent, in the financial environment. The impact of the new measures has changed substantially the environment in which BGL and other financial institutions operate. The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements (particularly for large global banking groups such as the BNPP Group (as defined below)), taxes on financial transactions, restrictions and increased taxes on employee compensation over specified levels, restrictions on certain types of activities considered as speculative undertaken by commercial banks that will be prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading), restrictions or prohibitions on certain types of financial products or activities, enhanced recovery and resolution regimes, revised risk-weighting methodologies, increased internal control and reporting requirements with respect to certain activities, more stringent governance and conduct of business rules, more extensive market abuse regulations, measures to improve the

transparency and efficiency of financial markets and in particular to regulate high frequency trading, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives), and the creation of new and strengthened regulatory bodies. Many of these measures have been adopted and are already applicable to BGL. The principal such measures are summarized below.

### *Prudential ratios*

At the European level, many of the provisions of the EU Directive and Regulation on prudential requirements "**CRD 4/CRR**" dated 26 June 2013, implementing the Basel III capital requirements, took effect as of 1 January 2014 and many delegated and implementing acts provided for in the Directive and Regulation CRD 4/CRR were adopted from 2014 and are still being adopted. The prudential ratio requirements and the designation of BGL as an "other systemically important institution" increased BGL's prudential requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. A recent initiative of the European Commission to amend CRD 4/CRR has been launched, notably aiming at increasing the resilience of EU institutions and enhancing financial stability.

### *Banking Union*

Regarding the European "Banking Union", the European Union adopted, in October 2013, a Single Supervisory Mechanism ("**SSM**") under the supervision of the ECB; as a consequence, since November 2014, BGL, along with all institutions qualified as important in the euro zone, are now under the direct supervision of the ECB, with respect to prudential regulation matters entrusted to the ECB by Council Regulation dated 15 October 2013. Within the SSM, the ECB is, in particular, tasked with carrying out an annual supervisory review and evaluation process ("**SREP**") and stress tests, in connection with which it has powers to require banks to hold capital requirements in excess of minimum capital requirements in order to address specific risks (so-called "Pillar 2" requirements), and more generally to impose additional liquidity requirements and possibly other regulatory measures. Such measures could have an adverse impact on BGL's results of operations and financial condition.

### *Bank recovery and resolution measures*

In addition to the SSM, the EU Bank Recovery and Resolution Directive of 15 May 2014 ("**BRRD**"), was implemented by the Luxembourg act dated 18 December 2015 (the "**BRR Act 2015**") applicable to BGL. Under the BRR Act 2015, the competent authority is the *Commission de surveillance du secteur financier* (the "**CSSF**") and the resolution authority is the CSSF acting as Resolution Council (*le Conseil de résolution*).

The BRR Act 2015 provides for certain resolution measures, including the power to impose in certain circumstances a suspension of activities. Any suspension of activities can, to the extent determined by the CSSF, result in the partial or complete suspension of the performance of agreements entered into by BGL. The BRR Act 2015 also grants the power to the Resolution Council to take a number of resolution measures which may apply to BGL, including (i) a forced sale of the credit institution (sale of business), (ii) the establishment of a bridge institution bank or, (iii) the forced transfer of all or part of the assets, rights or obligations of the credit institution (asset separation) and (iv) the application of the general bail-in tool.

The powers set out in the BRR Act 2015 will impact how credit institutions (such as BGL), investment firms and any financial institution that is established in Luxembourg and is a subsidiary of a credit institution, or an investment firm, and is covered by the supervision of the parent undertaking on a consolidated basis in accordance with the Regulation (EU) No 575/2013, are managed as well as, in certain circumstances, the rights of creditors.

Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in

the framework of a Single Resolution Mechanism and a Single Resolution Fund has established as single resolution mechanism. A centralised power of resolution is entrusted to the Single Resolution Board and the national resolution authorities (for Luxembourg, the CSSF through the Resolution Council) is working in close cooperation with it.

#### *Minimum requirement for own funds and eligible liabilities (MREL)*

In order to ensure the effectiveness of bail-in and other resolution tools, the BRRD (as implemented by the BRR Act 2015) requires that all institutions must meet an individual MREL requirement calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities. Items eligible for inclusion in MREL will include an institution's own funds along with "eligible liabilities".

The European Banking Authority (the "**EBA**") and the European Commission are required under the BRRD to develop the criteria for determining MREL, the calculation methodologies and related measures. The EBA published and submitted to the European Commission the final draft regulatory technical standards on the criteria for determining MREL on 3 July 2015 and this was amended and adopted by the European Commission and the European Parliament in the Commission Delegated Regulation 2016/1450 of 23 May 2016 (the "**DR 2016/1450**"). Although the DR 2016/1450 provides more specifics on the criteria to be taken into account by resolution authorities to determine the level of MREL applicable for each institution, it also provides for a transitional period therefor, at the discretion of the resolution authorities. In addition, the EBA released its final report on MREL (on the implementation and design of the MREL framework) on 14 December 2016, which contains some recommendations for the improvement of the MREL mechanism and its alignment with TLAC (see below). Combined with the recent initiative of the Commission to amend CRD 4/CRR, notably aiming at increasing the resilience of EU institutions and enhancing financial stability, the precise impact of the MREL requirements on individual firms will remain a matter of some uncertainty until the final measures are fully adopted and specific requirements imposed on institutions by resolution authorities.

It is also uncertain how exactly the proposals published in November 2014 by the Financial Stability Board ("**FSB**") for a new international standard on total loss absorbing capacity ("**TLAC**") for globally systemically important banks ("**GSIB**"s) as well as the final TLAC Principles and Term Sheet published by the FSB on 9 November 2015 will affect the way EU law will cohabit with this requirement and the way in which the authorities implement the MREL regime.

Until these measures are finally adopted and applied to BGL, it is not possible to determine the ultimate scope and nature of any resulting obligations for BGL, nor the impact that they will have on BGL. It is possible that BGL may have to issue MREL instruments in order to meet the new requirements within the required timeframes and/or that the MREL requirements would impose operational restrictions on BGL, increase BGL's expenses and/or otherwise have a material adverse effect on the business, financial condition, results of operations and/or prospects of BGL and, in turn, adversely affect the value of the Notes.

#### *Investment and retail bank separation*

Furthermore, a proposal for a Regulation of the European Parliament and of the Council of 29 January 2014 on structural measures improving the resilience of EU credit institutions, as amended on 19 June 2015, would prohibit certain proprietary trading activities by European credit institutions that meet certain criteria (particularly as to size) and require them to conduct certain high-risk trading activities only through subsidiaries.

#### *Other significant or existing or upcoming regulatory requirements*

Finally, new regulations designed to enhance the transparency and soundness of financial markets, such as the so-called "EMIR" Regulation of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and the measures adopted or to be adopted thereunder (including in relation to collateral requirements for non-centrally cleared derivatives), Regulation of 25 November 2015 on transparency of securities financing transactions and Directive and Regulation of 15 May 2014 on markets in financial

instruments ("**MiFID 2**") may be a source of additional uncertainty and compliance risk and, more generally, the costs incurred due to the implementation of such regulations may have a negative impact on the profitability of certain activities currently conducted by BGL and weigh on BGL's results of operations and financial condition.

#### *U.S. regulatory framework*

Bank regulation in the United States has been substantially changed and expanded in the wake of the financial crisis, including most recently as follows. The U.S. Federal Reserve's final rule imposing enhanced prudential standards on the U.S. operations of large foreign banks will require BNPP, the parent company of BGL, to create a new intermediate holding company ("**IHC**") for its U.S. subsidiaries by 1 July 2016, which will be required to comply with risk-based and leverage capital requirements, liquidity requirements, supervisory stress testing and capital planning requirements as well as other prudential requirements on a stand-alone basis. Under proposals that remain under consideration, the IHC and the combined U.S. operations of BNPP may become subject to limits on credit exposures to any single counterparty, and the combined U.S. operations of BNPP may also become subject to an early remediation regime which could be triggered by risk-based capital, leverage, stress tests, liquidity, risk management and market indicators. The Federal Reserve has also indicated that it is considering future rulemakings that could apply the U.S. rules implementing the Basel III liquidity coverage ratio to the U.S. operations of certain large foreign banking organizations. On 30 November 2015, the U.S. Federal Reserve published proposed rules that would implement in the United States the Financial Stability Board's standards for a TLAC framework. The proposed rules would require, among other things, BNPP's intermediate U.S. holding company to maintain minimum amounts of "internal" TLAC, which would include minimum levels of tier 1 capital and long-term debt satisfying certain eligibility criteria and a related TLAC buffer commencing 1 January 2019. BNPP's intermediate U.S. holding company would be required to issue all such TLAC instruments to a foreign parent entity (a non-U.S. entity that controls the intermediate holding company). The proposed rules would also impose limitations on the types of financial transactions that BNPP's intermediate holding company could engage in. Finally, the "Volcker Rule", adopted by the U.S. regulatory authorities in December 2013, places certain restrictions on the ability of U.S. and non-U.S. banking entities, including BNPP and its affiliates, to engage in proprietary trading and to sponsor or invest in private equity and hedge funds. BNPP was generally required to come into compliance with the Volcker Rule by July 2015, although the U.S. Federal Reserve has indicated that the conformance deadline for pre-2014 "legacy" investments in and relationships with private equity funds and hedge funds will be extended until 21 July 2017. The Volcker Rule's implementing regulations are highly complex and may be subject to further regulatory interpretation and guidance, and its full impact will not be known with certainty for some time. U.S. regulators have also recently adopted or proposed new rules regulating OTC derivatives activities under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. In late 2015, the U.S. Federal Reserve and other U.S. banking regulators finalized margin requirements applicable to uncleared swaps and security-based swaps entered into by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants that are regulated by one of the U.S. banking regulators, including BNPP. These margin requirements, which are scheduled to come into effect in phases beginning in September 2016, will require BNPP to post and collect additional, high-quality collateral for certain transactions, which will increase the costs of uncleared swaps and security-based swaps offered by BNPP to its customers who are "U.S. persons" as defined under the rules which apply globally. The U.S. Securities and Exchange Commission also finalized rules in 2015 requiring the registration of security-based swap dealers and major security-based swap participants as well as obligations relating to transparency and mandatory reporting of security-based swap transactions. Further rules and regulations are expected in 2016 to complete this regulatory framework. The scope and timing for the implementation of these requirements, and therefore their impact on BNPP's swap business, is difficult to predict at this stage.

In sum, extensive legislative and regulatory reform in respect of financial institutions has been enacted in recent years and some remains in progress. It is impossible to accurately predict which additional measures will be adopted or to determine the exact content of such measures and, given the complexity and uncertainty of a number of these measures, their ultimate impact on BGL. The overall effect of these measures, whether already adopted or in the process of being adopted, may be to restrict BGL's ability to allocate and apply

capital and funding resources, limit its ability to diversify risk, reduce the availability of certain funding and liquidity resources, increase its funding costs, increase the cost for or reduce the demand for the products and services it offers, result in the obligation to carry out internal reorganizations, structural changes or divestitures, affect its ability to conduct (or impose limitations on) certain types of business as currently conducted, limit its ability to attract and retain talent, and, more generally, affect its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

**BGL's access to and cost of funding could be adversely affected by a deterioration of the euro-zone sovereign debt crisis, worsening economic conditions, a ratings downgrade or other factors**

The financial crisis, the Euro-zone sovereign debt crisis as well as the general macroeconomic environment adversely affected the availability and cost of funding for European banks during the past few years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to their exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including BGL, experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank increased substantially. Were such adverse credit market conditions to persist for an extended period or worsen due to factors relating to the economy or the financial industry in general or to BGL in particular (such as ratings downgrades), the effect on the liquidity of the European financial sector in general and BGL in particular could be materially adverse and have a negative impact on BGL's results of operations and financial condition.

BGL's cost of funding may also be influenced by the credit rating on its long-term debt. Any downgrade in the credit ratings by any of the three principal rating agencies may increase BGL borrowing costs.

BGL's cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase BGL's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of creditworthiness of BGL.

**The prolonged low interest rate environment carries inherent systemic risks**

The prolonged period of low interest rates since the 2008/2009 financial crisis may have contributed to, and may continue to contribute to, excessive risk-taking by financial market participants such as lengthening maturities of financings and assets held, more lenient lending standards and increased leveraged lending. Certain of the market participants that may have taken or may take additional or excessive risk are of systemic importance, and any unwinding of their positions during periods of market turbulence or stress (and hence reduced liquidity) could have a destabilizing effect on markets and could lead BGL to record operating losses or asset impairments.

**Risks related to the implementation of BNPP Group's strategic plans**

BNPP Group has announced a certain number of strategic objectives, in particular in a strategic plan for the 2014-2016 period presented in March 2014 and a transformation plan for CIB for the 2016-2019 period presented in February 2016. These plans contemplate a number of initiatives, including simplifying BNPP Group's organisation and operations, continuing to improve operating efficiency, adapting certain businesses to their economic, regulatory and technological environment and implementing various business development initiatives.

The plans include a number of financial targets and objectives relating to net banking income, operating costs, net income, capital adequacy ratios and return on equity, among other things. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions. On 5 February 2015

and 5 February 2016, BNPP provided updates regarding the implementation of the 2014-2016 strategic plan and presented the transformation plan of CIB 2016-2019 on 5 February 2016.

**A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BGL's results of operations and financial condition**

In connection with its lending activities, BGL regularly establishes provisions for loan losses. BGL's, which are recorded in its profit and loss account under "cost of risk". BGL's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although BGL seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in BGL's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on BGL's results of operations and financial condition.

BGL also establishes provisions for contingencies and charges including in particular provisions for litigation. Any loss arising from a risk that has not already been provisioned or that is greater than the amount of the provision would have a negative impact on BGL's results of operation and, potentially, its financial condition.

**BGL may incur significant losses on its investment activities due to market fluctuations and volatility**

BGL maintains investment positions in the debt and currency markets, and in private equity, property and other assets, including through derivative contracts. These positions could be adversely affected by volatility in financial and other markets, i.e. the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. The capital and credit markets have been experiencing unprecedented volatility and disruption since mid-2007 and particularly since the bankruptcy filing of Lehman Brothers in mid-September 2008. As a result BGL incurred significant losses on its investment activities. There can be no assurance that this extreme volatility and market disruption will not re-occur in the future but BGL has taken action, where possible, to decrease the exposure and to decrease the size of the potential losses on its activities as a result. Volatility trends (or other trends in parameters that are sensitive to market fluctuations such as correlations) that prove substantially different from BGL's expectations may lead to losses relating to a broad range of other hedging products BGL uses, including swaps, forwards and futures, options and structured products.

To the extent that BGL owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its ALM Treasury positions. Conversely, to the extent that BGL has sold assets that it does not own or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose it to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. BGL may from time to time hold a long position in one asset and a short position in another, in order to hedge transactions with clients and/or from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that BGL did not anticipate or against which it is not hedged, BGL might realise a loss on those paired positions. Such losses, if significant, could adversely affect BGL's results and financial condition.

**BGL may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns**

Financial and economic conditions affect the number and size of transactions for which BGL provides securities underwriting, financial advisory and other investment banking services. BGL's revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that BGL charges for managing its

clients' portfolios are in many cases based on the value or on the performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues BGL receives from its asset management, equity derivatives and private banking businesses. Even in the absence of a market downturn, below-market performance by BGL's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues BGL receives from its asset management business and could have an impact on the goodwill account of group entities such as BNP Paribas Investment Partners.

During recent market downturns in the last couple of years, BGL experienced all of these effects and a corresponding decrease in revenues in the relevant business lines. There can be no assurance that BGL will not experience similar trends in future market downturns, which may occur periodically and unexpectedly.

**Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses**

In some of the BGL's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if BGL cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that BGL calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to unanticipated losses.

**BGL is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.**

BGL is exposed to the risk of legislative or regulatory changes in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which BGL operates;
- general changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable capital adequacy and liquidity frameworks;
- general changes in securities regulations, including financial reporting and market abuse regulations;
- general changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls; and
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect BGL, and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the

financial services sector or otherwise affect BGL's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

BGL may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties

### **Significant interest rate changes could adversely affect BGL's revenues or profitability**

The amount of net interest income earned by BGL during any given period significantly affects its overall net banking income and profitability for that period. Interest rates are sensitive to many factors beyond BGL's control, such as the level of inflation and the monetary policies of states, and government decisions relating to regulated savings rates. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in BGL's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to BGL's short-term financing may adversely affect BGL's profitability.

### **The prolonged low interest rate environment carries inherent systemic risks**

The prolonged period of low interest rates since the 2008/2009 financial crisis may have contributed to, and may continue to contribute to, excessive risk-taking by financial market participants such as lengthening maturities of financings and assets held, more lenient lending standards and increased leveraged lending. Certain of the market participants that may have taken or may take additional or excessive risk are of systemic importance, and any unwinding of their positions during periods of market turbulence or stress (and hence reduced liquidity) could have a destabilizing effect on markets and could lead BGL to record operating losses or asset impairments.

### **The soundness and conduct of other financial institutions and market participants could adversely affect BGL**

BGL's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumours or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. BGL has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients, with which it regularly executes transactions. BGL can also be exposed to the risks related to the increasing involvement in the financial sector of players subject to little or no regulations (unregulated funds, trading venues or crowdfunding platforms). BGL is exposed to credit and counterparty risk in the event of default or financial distress of BGL's counterparties or clients. In addition, BGL's credit risk may be exacerbated when the collateral held by it cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to BGL or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardized over-the-counter (OTC) derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff, as a result of which numerous financial institutions globally have announced losses or exposure to losses in substantial amounts.

There can be no assurance that any losses resulting from the risks summarised above will not materially and adversely affect BGL's results of operations.



### **BGL's competitive position could be harmed if its reputation is damaged**

In the highly competitive environment arising from globalisation and convergence in the financial services industry, a reputation for financial strength and integrity is critical to BGL's ability to attract and retain customers. BGL's reputation could be harmed if it fails to adequately promote and market its products and services. BGL's reputation could also be damaged if, as it increases its client base and the scale of its businesses, BGL's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, BGL's reputation could be damaged also by other compliance risks, including but not limited to, employee misconduct, misconduct or fraud by market participants or funds to which BGL is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. Such risks to reputation have recently increased as a result of the growing use of social networks within the economic sphere. The loss of business that could result from damage to BGL's reputation could have an adverse effect on its results of operations and financial position.

### **An interruption in or a breach of BGL's information systems may result in material losses of client or customer information, damage to BGL's reputation and lead to financial losses**

As with most other banks, BGL relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing. Any failure or interruption or breach in security of these systems could result in failures or interruptions in BGL's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. BGL cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognised until launched against a target, BGL may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. In spite of the existing control systems, BGL cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions in BGL's information systems and any subsequent disclosure of confidential information related to any client, counterpart or employee of BGL (or any other person) or any intrusion or attack against BGL's communication system could have an adverse effect on BGL's reputation, financial condition and results of operations.

In recent years, financial institutions have been impacted by a number of cyber incidents, notably involving large-scale alterations of data which compromise the quality of financial information. This risk remains and BGL, like other banks, has taken measures to implement systems to deal with cyber attacks that could destroy or damage data and critical systems and hamper the smooth running of its operations. Moreover, the regulatory and supervisory authorities are taking initiatives to promote the exchange of information on cyber security and cyber criminality in order to improve the security of technological infrastructures and establish effective recovery plans after a cyber incident.

### **Unforeseen external events can interrupt BGL's operations and cause substantial losses and additional costs**

Unforeseen events such as an adverse change in the political, military or diplomatic environments, political and social unrest, severe natural disasters, terrorist attacks, military conflicts or other states of emergency could affect the demand for the products and services offered by BGL, or lead to an abrupt interruption of BGL's operations and, to the extent not covered by insurance, could cause substantial losses that may not necessarily be covered by an insurance policy. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to temporary or longer-term business

interruption, additional costs (such as relocation of employees affected) and increase the BGL's costs (particularly insurance premiums).

BGL is exposed to regulatory compliance risk, such as the inability to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to the BGL's reputation and private rights of action, non-compliance could lead to significant legal proceedings, fines and expenses, public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of operating licenses. This risk is further exacerbated by continuously increasing regulatory oversight. This is the case in particular with respect to money laundering, the financing of terrorist activities or transactions with countries that are subject to economic sanctions.

**Notwithstanding BGL's risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses**

BGL has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, BGL risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that BGL may have failed to identify or anticipate. BGL's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behaviour, valuations, assumptions or estimates. Some of BGL's qualitative tools and metrics for managing risk are based on its use of observed historical market behaviour. BGL applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process used to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g. if BGL does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit BGL's ability to manage its risks. BGL's losses could therefore be significantly greater than the historical measures indicate. In addition, BGL's quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

**BGL's hedging strategies may not prevent losses**

If any of the variety of instruments and strategies that BGL uses to hedge its exposure to various types of risk in its businesses is not effective, BGL may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if BGL holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position.

However, the hedging strategies may not protect against all future risks or may not be fully effective in mitigating BGL's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of BGL's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in BGL's reported earnings.

**Intense competition in the financial services industry could adversely affect BGL revenues and profitability**

There is substantial competition in Luxembourg, Belgium and the other regions in which BGL carries on business for the types of banking, asset management and insurance, and other products and services BGL provides.

Such competition is most pronounced in the core Benelux markets of BGL where BGL faces competition from companies such as KBL, ING Group, BCEE and BIL. As a result, BGL's strategy is to maintain customer loyalty and retention, which can be influenced by a number of factors, including service levels, the prices and attributes of products and services, financial strength and actions taken by competitors. If BGL is unable to compete with attractive product and service offerings that are profitable, BGL may lose market share or incur losses on some or all of BGL's activities.

Competitive pressures could result in increased pricing pressures on a number of BGL's products and services, particularly as competitors seek to win market share, and may harm BGL's ability to maintain or increase profitability.

In addition, competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements (e.g., debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (e.g., internet and mobile operators, fintechs), could be more competitive. If BGL is unable to respond to the competitive environment in Benelux by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for BGL and its competitors. It is also possible that the increased presence in the global marketplace of nationalised financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, following the recent financial crisis or the imposition of more stringent requirements (particularly capital requirements and activity restrictions) on larger or systematically significant financial institutions could lead to distortions in competition in a manner adverse to large private-sector institutions such as BGL.

#### **Litigation or other proceedings or actions may adversely affect BGL's business, financial condition and results of operations**

In its normal course of business, BGL is subject to the risk of litigation by customers, employees or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation or similar proceedings or actions is difficult to assess or quantify. Plaintiffs in these types of actions may seek recovery of large or indeterminate amounts or other remedies that may affect BGL's ability to conduct business, and the magnitude of the potential loss relating to such actions may remain unknown for substantial periods of time. The cost to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of BGL's services, regardless of whether the allegations are valid or whether BGL is ultimately found liable. As a result, the possibility cannot be ruled out that the outcome of such litigations or investigations may adversely affect BGL's business, financial condition and results of operations.

#### **A deterioration of the credit rating of BNP Paribas of its debt quality could adversely affect BGL**

As part of the BNP Paribas Group, BGL can be highly sensitive to a downgrade by rating agencies of the rating of the parent company of the BNP Paribas Group or a deterioration of its debt quality. On 13 May 2009, BNP Paribas took control of BGL as part of the BNP Paribas Fortis SA/NV acquisition, of which BNP Paribas owns 99.93 per cent. of its share capital. BNP Paribas is now the major shareholder of BGL with a 65.96 per cent. interest.

#### **While each of BGL's businesses manages its operational risks, these risks remain an inherent part of all of BGL's businesses**

BGL is subject to operational risk because of the uncertainty inherent in all business undertakings and decisions. This risk can be broken down into business risk and event risk.

Business risk is the risk of 'being in business', which affects any enterprise, financial or non-financial. It is the risk of loss due to changes in the competitive environment that damage the business's franchise or operating economics. Typically, the fluctuation originates with variations in volume, pricing or margins against a fixed cost base. Business risk is thus mostly externally driven (by regulatory, fiscal, market and or competition changes, as well as strategic, reputation risks and other related risks).

Event risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal and compliance risk. Event risk is often internally driven (internal and external fraud involving employees, clients, products and business practices, as well as technological and infrastructure failures and other related malfunctions) and can be limited through management processes and controls.

BGL attempts to keep these risks at appropriate levels by maintaining a sound and well controlled environment in light of the characteristics of its business, the markets and the regulatory environments in which BGL operates. While these control measures mitigate operational risks they do not eliminate them.

### **BGL has significant counterparty risk exposure and exposure to systemic risks**

BGL's business is subject to general credit risks, including credit risks of borrowers and other counterparties. Third parties that owe BGL money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans made, the issuers whose securities BGL holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to BGL due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

Counterparty credit risk is the translation of the credit risk embedded in financial transactions, investments and/or settlement transactions between counterparties. Those transactions include bilateral contracts such as over-the-counter ("OTC") derivatives contracts as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions.

Counterparty risk lies in the event that a counterparty defaults on its obligations to pay BGL the full present value of the flows relating to a transaction or a portfolio for which BGL is a net receiver. Counterparty credit risk is also linked to the replacement cost of a derivative or portfolio in the event of counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk. Counterparty risk arises from both bilateral activities of BGL with clients and clearing activities through a clearing house or an external clearer.

In addition, in the past, the general credit environment has been adversely affected by significant instances of fraud. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom BGL interacts on a daily basis, and could have an adverse effect on BGL's business.

### **Uncertainty linked to fair value accounting and use of estimates**

According to BGL's valuation rules financial assets can be carried at fair value through profit or loss. Concerned assets include financial assets held for trading, including non-cash flow hedging derivatives, and financial assets that BGL has irrevocably designated to be held at fair value through profit or loss ('fair value option'). The fair value of a financial instrument is determined based on quoted prices in active markets.

When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows, and take into consideration, where applicable, model risks. Such techniques include market prices of comparable investments, discounted cash flows, option pricing models and market multiples valuation methods. In the rare case where it is not possible to determine the fair value of a financial instrument, it is accounted for at cost. The effect of changing the assumptions for those financial instruments for which the fair values are measured using valuation techniques that are determined in full or in part on assumptions that are not supported by observable inputs may have a material adverse effect on BGL's earnings.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying these accounting policies. Actual results may differ from those estimates and judgmental decisions.

Financial institutions may use different accounting categorisations for the same or similar financial assets due to their different intentions regarding those assets. In determining fair value of financial instruments, different financial institutions may use different valuation techniques, assumptions, judgments and estimates which may result in lower or higher fair values for such financial instruments.

**Adjustments to the carrying value of BGL's securities and derivatives portfolios and BGL's own debt could have an impact on its net income and shareholders' equity**

The carrying value of BGL's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of its assets or its debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, its capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

**The expected changes in accounting principles relating to financial instruments may have an impact on BGL's balance sheet and regulatory capital ratios and result in additional costs**

IFRS 9 Financial Instruments, issued by the IASB in July 2014, will replace IAS 39 Financial Instruments: recognition and measurement, related to the classification and measurement of financial instruments. It sets out the new principles for the classification and measurement of financial instruments, for impairment for credit risk on financial assets and for general hedge accounting (i.e. micro hedging).

IFRS 9, which was adopted by the European Union on 22 November 2016, is mandatory for annual periods beginning on or after 1 January 2018.

*Classification and measurement*

According to IFRS 9, classification and measurement of financial assets will depend on the business model and the contractual characteristics of the instruments. On initial recognition, financial assets will be measured at amortised cost, at fair value through shareholders' equity (on a separate line) or at fair value through profit or loss.

It will no longer be possible to recognise derivatives embedded in financial assets separately from the host contract.

Application of the criteria relating to the business model and the contractual characteristics of the instruments may lead to different classification and measurement of some financial assets compared with IAS 39.

Debt instruments (loans, receivables or debt securities) will be classified at amortised cost, at fair value through shareholders' equity (on a separate line), or at fair value through profit or loss.

- They will be classified at amortised cost if the business model objective is to hold the financial assets in order to collect contractual cash flows, and if the contractual cash flows solely consist of payments relating to principal and interest on the principal.
- They will be classified at fair value through shareholders' equity if the business model is achieved by both holding the financial assets in order to collect contractual cash flows and selling the assets and if the cash flows solely consist of payments relating to principal and interest on the principal. Upon disposal, amounts previously recognised in shareholders' equity will be transferred to profit or loss.
- All debt instruments not eligible for classification at amortised cost or at fair value through shareholders' equity will be presented at fair value through profit or loss.

Debt instruments may only be designated as at fair value through profit or loss if the use of this option enables the entity to eliminate or significantly reduce an accounting mismatch in profit or loss.

Investments in equity instruments such as shares will be classified as instruments at fair value through profit or loss, or, as an option, as instruments at fair value through shareholders' equity (on a separate line). In the latter case, upon disposal of equity instruments classified at fair value through shareholders' equity, amounts previously recognised in shareholders' equity shall not be transferred to profit or loss. Only dividends will be recognised in profit or loss.

With respect to financial liabilities, the only change introduced by IFRS 9 relates to recognition of changes in fair value attributable to changes in the credit risk of the liabilities designated as at fair value through profit or loss (fair value option), which will be recognised on a separate line in shareholders' equity and no longer through profit or loss.

The provisions of IAS 39 concerning the derecognition of financial assets and financial liabilities have been maintained in IFRS 9 without any modification.

### *Impairment*

IFRS 9 establishes a new credit risk impairment model based on expected losses.

This model will apply to loans and debt instruments measured at amortised cost or at fair value through shareholders' equity (on a separate line), to loan commitments and financial guarantees not recognised at fair value, as well as to lease receivables.

Under the impairment model in IAS 39, an impairment loss is recognised when there is an objective evidence of a decrease in value. Counterparties that are not individually impaired are risk-assessed on the basis of portfolios with similar characteristics and groups of counterparties which, as a result of events occurring since inception of the loans present objective indication of impairment, are subject to a portfolio-based impairment. Moreover, BGL may recognise additional collective impairment with respect to a given economic sector or geographic area affected by exceptional economic events.

The new impairment model under IFRS 9 requires accounting for 12-month expected credit losses (that result from the risk of default in the next 12 months) on the financial instruments issued or acquired, as of the date of initial recognition on the balance sheet.

Expected credit losses at maturity (that result from the risk of default over the life of the financial instrument) must be recognised if the credit risk has increased significantly since initial recognition.

Financial assets for which a 12-month expected credit loss will be recognised, will be included in "Stage 1". Interest income will be measured according to the effective interest method using the financial asset's gross value (before impairment).

Financial assets for which the credit risk has increased significantly since the initial recognition will be included in "Stage 2". Interest income will be measured according to the effective interest method using the financial asset's gross value (before impairment).

Significant increase in the credit risk will be assessed on an individual basis or on a collective basis (by grouping the financial instruments according to common credit risk characteristics) by taking into consideration all reasonable and supportable information and comparing the default risk of the financial instrument at the reporting date with the default risk on the date of its initial recognition.

Assessment of deterioration will be measured by comparing probability of default/ratings on the date of initial recognition and those existing on the reporting date.

Under the standard, there is also a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The standard suggests that it may be assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if this risk is considered to be low on the reporting date (for example, a financial instrument which has an 'investment grade' rating). This provision could be applied to debt securities.

The amount of expected credit loss will be measured on the basis of probability-weighted scenarios, in view of past events, current conditions and reasonable economic forecasts.

Financial assets for which there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset will be considered as impaired and be included in "Stage 3". Criteria for identifying impaired assets will be similar to those prevailing under IAS 39. Interest income will be measured according to the effective interest method using the financial asset's net value (after impairment).

Treatment of restructuring for financial difficulties is likely to remain similar to that prevailing under IAS 39.

The new impairment model is likely to result in an increase in impairment for credit risk since all financial assets will be subject to a 12-month expected credit loss assessment. Moreover, the scope of the assets for which there is a significant increase in credit risk could be different from the scope of assets for which portfolio-based impairment was recognised under IAS 39.

Furthermore, the impairment model of IFRS 9 is based on more forward-looking information than that of IAS 39, inducing a more volatile amount of expected credit losses.

BGL is considering using existing concepts and methods (in particular the Basel framework) on exposures for which the capital requirement for credit risk is measured according to the IRBA methodology. This method will also need to be applied to portfolios for which the capital requirement for credit risk is measured according to the standardised approach. Moreover, the Basel framework will need to be supplemented with the specific provisions of IFRS 9, in particular the use of forward-looking information.

Methods of measuring expected credit losses will be based on 3 main parameters: the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") in light of amortisation profiles. Expected credit losses will be measured as the product of the PD, LGD and EAD.

### *Hedge accounting*

The objective of the hedge accounting model under IFRS 9 is to better reflect risk management, especially by expanding the eligible hedging instruments and eliminating some overly prescriptive rules. On initial application of IFRS 9, BGL may choose either to apply the new hedge accounting provisions or to maintain the hedge accounting principles under IAS 39 until the new macro hedging standard enter into force. Irrespective of the chosen hedge accounting option, additional information will be required in the notes to the financial statements concerning risk management and the impacts of the hedge accounting on the financial statements.

IFRS 9 does not explicitly address the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions of IAS 39 for these portfolio hedges, as adopted by the European Union, will continue to apply.

Based on the analyses made to date, the Group is considering maintaining all the provisions of IAS 39 for hedge accounting.

### *Transition*

The IFRS 9 classification and measurement provisions, as well as its new impairment model, are applicable retrospectively by adjusting the opening balance sheet on the date of first application, without any obligation to restate the comparative figures for prior periods.

IFRS 9 allows early application of the requirements for the presentation of gains and losses attributable to changes in the credit risk of the financial liabilities designated as at fair value through profit or loss (fair value option). However, the Group does not envisage an early application of these requirements.

### *Implementation of IFRS 9 at BGL*

The implementation of IFRS 9 at BGL relies on a project including each of the different phases of the standard. Steering committees bringing together the heads of the Risk and Finance functions and dedicated project team have been set up.

The project progress according to planning in close corporation with the BNP Paribas group project and will be finalised in 2017.

## **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 Revenue from Contracts with Customers, issued in May 2014, will supersede a number of standards and interpretations on revenue recognition (in particular IAS 18 Revenue and IAS 11 Construction Contracts). Revenues from lease contracts, insurance contracts or financial instruments are excluded from the scope of this standard.

Adopted by the European Union on 22 September 2016, IFRS 15 will become mandatory for years beginning on, or after, 1 January 2018.

IFRS 15 defines a single model for recognising revenue based on five-step principles. These five steps determine performance obligations (contractual goods and services) that are considered to be distinct and the transaction price to be allocated to them.

Revenue is recognised when the performance obligations are satisfied, namely when the entity transfers control of the goods or services. BGL has finalized the analysis of the standard and its potential impacts. Revenues from net banking income falling within the scope of application concern in particular the commissions received for banking and similar services provided (except those arising from the effective interest rate), revenues from property development and revenues from services provided in connection with lease contracts.



The implementation of IFRS 15 within BGL is based on a project and the documentation and identification of impacts will be finalised in 2017. The impact is not expected to be material.

### **IFRS 16 Leases**

IFRS 16 Leases, issued in January 2016, will supersede IAS 17 Leases and the interpretations relating to the accounting of such contracts. The new definition of leases relies on both the identification of an asset and the right to control the identified asset by the lessee.

From the lessor's point of view, the expected impact should be limited, as the requirements of IFRS 16 remain substantially unchanged from the current IAS 17.

For the lessee, IFRS 16 will require recognition in the balance sheet of all leases, in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right-of-use assets will be amortised on a straight-line basis and the financial liabilities will be amortised on an actuarial basis over the lease period. Under IAS 17, operating leases require no recognition in the balance sheet.

IFRS 16 will become mandatory for annual periods beginning on or after 1 January 2019, after its adoption by the European Union for application in Europe. BGL has started to analyse the standard and define its potential impacts. A dedicated project will be set-up in 2018.

### **Risk factors that may affect the Notes generally**

#### **The Notes may not be a suitable investment for all investors**

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

Some Notes are sophisticated financial instruments. A potential investor should not invest in Notes which are sophisticated financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

None of the Issuer, the Dealer or any of their respective affiliates is responsible for the lawfulness or suitability of the acquisition of any Notes by a prospective investor or purchaser of Notes or for compliance by a prospective investor or purchaser of Notes (whether it is acquiring the Notes in a principal or in a

fiduciary capacity) with any law, regulation, directive or policy applicable to it or, if it is acquiring the Notes in a fiduciary capacity, any law, regulation, directive or policy applicable to the beneficiary. A prospective investor or purchaser of Notes may not rely on the Issuer, the Dealer or any of their respective affiliates when making determinations in relation to any of these matters.

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

Notes are issued in the currency specified in the Final Terms applicable thereto (the "**note currency**") and such income and principal arising from such Notes are subject to exchange rate risk for an investor who has to convert another currency (the "**investor currency**") into such note currency to purchase the Notes. Investors should be aware that as a result of such risk they may receive at maturity an amount in the note currency or settlement currency, as applicable, that, if converted back into the investor currency by the investor, may be less than the initially converted amount. The same cross-currency exposure risk applies to the interest payments made in the note currency or settlement currency, as applicable, that are intended to be converted at a spot rate into an investor currency by the Noteholder.

This currency risk may arise as a result of (but is not limited to) significant changes to exchange rates (including changes due to devaluation of the note currency or settlement currency, as applicable, or revaluation of the investor currency) and the risk that authorities with jurisdiction over the investor currency may impose or modify exchange controls. An appreciation in the value of the investor currency relative to the note currency or settlement currency, as applicable, would decrease (a) the investor currency-equivalent yield on the Notes, (b) the investor currency equivalent value of the principal payable on the Notes and (c) the investor currency equivalent market value of the Notes.

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

### **The Notes entail particular risks**

The Notes to be issued under the Programme will entail particular risks. The Notes are investment instruments which may or may not bear interest and which at maturity or earlier in case of early redemption pay the final redemption amount or the early redemption amount which may or may not be equal to the nominal amount of the relevant Note.

Notes which are not principal protected may result in the holder thereof losing some or, in certain limited cases, all of such holder's initial investment. In addition, all Notes, including Notes which are expressed to be fully or partially principal protected, will give an investor exposure to the credit and default risk of the Issuer.

Notes issued under the Programme may be structured such that principal, interest and/or premium, if any, payable on such Notes are determined by reference to the value or level of various underlying factors or a combination thereof, including, but not limited to, one or more inflation indices, one or more currencies (including exchange rates or swap indices between currencies or composite currencies), one or more interest rates, one or more equity indices, formulae or other variables (the "**Underlying Reference**"). Notes where the nominal amount, interest amount and/or premium payable (if any) is dependent upon the performance of the Underlying Reference may result in the Noteholder receiving no, or only a limited return on his investment.

The price at which a holder of Notes will be able to sell Notes prior to their redemption may be at a substantial discount to the market value of the Notes at the issue date depending upon the performance of the Underlying Reference at the time of sale.

## **The value of the Notes may fluctuate**

The value of the Notes may move up and down between their date of purchase and their maturity date. Holders of the Notes may sustain a total loss of their investment depending on the factors stated below (subject to any principal protection provided for under the terms of the relevant Notes, if applicable). Prospective purchasers should therefore ensure that they understand fully the nature of the Notes before they invest in the Notes.

Several factors, many of which are beyond the Issuer's control, will influence the value of the Notes at any time, including (but not limited to) the following:

- (a) **General economic conditions.** The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other countries and areas. There can be no assurance that events occurring elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.
- (b) **Valuation of the Underlying Reference.** Where the Notes are linked to the performance of an Underlying Reference, the market value of the Notes at any time is expected to be affected primarily by changes in the price, value level or rate (as the case may be) of the Underlying Reference to which such Notes are linked. It is impossible to predict how the price, value, level or rate (as the case may be) of the relevant Underlying Reference will vary over time. Factors that may have an effect on the price, value, level or rate (as the case may be) of the Underlying Reference include economic, financial and political events. Potential investors should also note that whilst the market value of the Notes is linked to the changes in the price, value, level or rate (as the case may be) of the Underlying Reference and will be influenced (positively or negatively) by such changes, any change may not be comparable and may be disproportionate. It is possible that while the price, value, level or rate (as the case may be) of the Underlying Reference is increasing, the value of the Notes may fall.
- (c) **Interest Rates.** Investors in Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes. Investments in the Notes may involve interest rate risk with respect to the currency of denomination of the Underlying Reference and/or the Notes. A variety of factors influence interest rates such as macroeconomic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Notes at any time prior to valuation of the Underlying Reference relating to the Notes.
- (d) **Volatility of the Underlying Reference.** The term "volatility" of an Underlying Reference refers to the actual and anticipated frequency and magnitude of changes of the price, value, level or rate (as the case may be) of an Underlying Reference. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of an Underlying Reference will move up and down over time (sometimes more sharply than others) and different Underlying References will most likely have separate volatilities at any particular time. Where Notes are linked to an Underlying Reference, the volatility of the Underlying Reference(s) may have an effect on the volatility of the Notes.
- (e) **Exchange Rates.** Even where payments in respect of the Notes are not expressly linked to a rate or rates of exchange between currencies, the value of the Notes could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Notes is to be made and any currency in which the Underlying Reference is traded, appreciation or depreciation of any such currencies and any existing or future governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the date of issue of any Notes will be representative of the relevant rates of exchange used in computing the value of the relevant Notes at any time thereafter.

- (f) **Disruption.** If so provided in the applicable Conditions, the Calculation Agent (as specified in the applicable Final Terms) may determine that a Disruption Event (as defined in the Conditions) has occurred or exists at a relevant time. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

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

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

Potential investors should consequently be willing to hold the Notes through their life. The nature and extent of any secondary market in the Notes cannot be predicted. As a consequence any person intending to hold the Notes should consider liquidity in the Notes as a risk. If the Notes are listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if equivalent Notes were not so listed or quoted. However, if Notes are not listed or quoted there may be a lack of transparency with regard to pricing information. Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The Issuer may affect the liquidity of the Notes by purchasing and holding the Notes for its own account during trading in the secondary market. Any such Notes may be resold at any time into the market.

**Purchasing the Notes as a hedge may not be effective**

Any person intending to use the Notes as a hedge instrument should recognise the correlation risk. The Notes may not be a perfect hedge to an Underlying Reference or portfolio of which the Underlying Reference forms a part. In addition, it may not be possible to liquidate the Notes at a level which directly reflects the price of the Underlying Reference or portfolio of which the Underlying Reference forms a part.

**Potential Conflicts of Interest**

Potential conflicts of interest may exist between the Issuer, the Dealer, the Calculation Agent and the Noteholders, including (but not limited to) with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence any interest amount due on, and for the amount receivable upon redemption of, the Notes.

The Issuer and its affiliates (including, if applicable, any Dealer) may engage in trading activities (including hedging activities) related to any Notes, any Underlying Reference and any other instruments or derivative products for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates (including, if applicable, any Dealer) may also issue other derivative instruments in respect of or related to any Notes or any Underlying Reference. The Issuer and its affiliates (including, if applicable, any Dealer) may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Notes or, may act as financial adviser to certain companies or companies whose shares are included in the Underlying Reference or in a commercial banking capacity for such companies. The Issuer and its affiliates (including, if applicable, any Dealer) may carry out activities that minimise its and/or their risks related to the Notes, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Reference whether for risk reduction purposes

or otherwise. In connection with such hedging or market making activities or with respect to proprietary or other trading activities by the Issuer and its affiliates, the Issuer and its affiliates may enter into transactions in the Underlying Reference which may affect the market price, liquidity or value of the Underlying Reference and/or the Notes and which could be deemed to be adverse to the interests of the holders of the Notes. The Issuer and its affiliates are likely to modify their hedging positions throughout the life of the Notes whether by effecting transactions in the Underlying Reference or in derivatives linked to the Underlying Reference. Further, it is possible that the advisory services that the Issuer and its affiliates provide in the ordinary course of their business could have an adverse effect on the value of the Underlying Reference. Such activities could present certain conflicts of interest, could influence the prices of the Underlying Reference or other securities and could adversely affect the value of the Notes.

### **Actions taken by the Calculation Agent may affect the Notes**

The Calculation Agent is the agent of the Issuer and not the agent of the Noteholders. The Issuer may itself act as the Calculation Agent. The Calculation Agent will have discretion, acting in good faith and a commercially reasonable manner (unless otherwise specified), to make such adjustments to the Notes as it considers appropriate in certain circumstances (as set out in the Conditions of the Notes or, in the case of Exempt Notes only, the applicable Pricing Supplement). In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every corporate action or other event or circumstance entitling it to make an adjustment.

### **Holders have no ownership interest in the Underlying Reference**

The Notes convey no interest in the Underlying Reference. The Issuer may choose not to hold the Underlying Reference or any derivatives contracts or other instruments linked to the Underlying Reference. Under the Conditions of the Notes, there is no restriction on the ability of the Issuer and/or its affiliates to sell, pledge or otherwise convey all right, title and interest in any Underlying Reference or any derivative contracts or other instruments linked to the Underlying Reference.

### **Holders have no claim against the Underlying Reference**

The Notes do not represent a claim against any Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference) and Noteholders will not have any right of recourse under the Notes to any such Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference). The Notes are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an Underlying Reference and such entities have no obligation to take into account the consequences of their actions on any Noteholders.

### **Risk of Leveraged Exposure**

Leverage involves the use of a number of financial techniques to increase the exposure to an Underlying Reference, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Underlying Reference moves in the anticipated direction, it will conversely magnify losses when the Underlying Reference moves against expectations. If the relevant Notes include leverage, potential holders of such Notes should note that these Notes will involve a higher level of risk, and that whenever there are losses such losses will be higher (other things being equal) than those of a similar Note which is not leveraged. Investors should therefore only invest in leveraged Notes if they fully understand the effect of leverage.

### **Taxes may be payable by investors**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay stamp duties, taxes or other documentary charges in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In addition, if so indicated in the relevant Final Terms, payments

in respect of the Notes may be made subject to deduction for or on account of withholding taxes imposed within Luxembourg or, in the case of Exempt Notes only, the jurisdiction in which the Specified Branch (if any) is located, as provided in Condition 8 in the case of Euro Notes or Condition 7 in the case of Luxembourg Notes and without the Issuer being obliged to make additional payments in respect of such deduction or withholding. Consequently, the payment of principal, interest and/or premium, if any, in respect of the Notes may be less than expected. The applicable Final Terms will specify in each case whether the Issuer will pay additional amounts as specified in the Conditions. Potential purchasers should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment that will apply at any given time.

### **EU financial transaction tax**

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's proposal**"), for a financial transaction tax ("**FTT**") to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia) although Estonia has stated it will not participate. If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating member states. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating member state. A financial institution may be, or be deemed to be, "established" in a participating member state in a broad range of circumstances, including (a) by transacting with a person established in a participating member state or (b) where the financial instrument which is subject to the financial transaction is issued in a participating member state.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if it is adopted based on the Commission's proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets). The Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Notes and therefore this may result in investors receiving less than expected in respect of the Notes. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

The FTT proposal remains subject to negotiation between participating member states. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **The Notes may be redeemed prior to their stated maturity date**

The Issuer may at its discretion and without obligation redeem the Notes early for tax reasons, following an event of default or because the Issuer determines that the performance of its obligations under the Notes has become illegal or impractical in whole or in part for any reason. The Issuer may also redeem the Notes early for certain reasons relating to an Underlying Reference, as further described below. If the Issuer redeems the Notes early, the Issuer will, if so provided in the Conditions as completed by the relevant Final Terms and if and to the extent permitted by applicable law, pay the holder of each such Note the Early Redemption Amount as specified in the relevant Final Terms. In addition, the Conditions as completed by the relevant Final Terms may provide for redemption at the option of the Issuer on the Optional Redemption Dates at the Optional Redemption Amount(s) (as specified in the relevant Final Terms). In the event of any early

redemption, a Noteholder may not be able to reinvest the proceeds of such redemption in a comparable security. The Issuer is not liable for any disadvantage a holder of Notes incurs in respect of the new investment or non-investment of its capital.

In addition, in the case of an Underlying Interest Rate Linked Note or Equity Index-Linked Note, if "Automatic Early Redemption Event" is specified as being applicable in the applicable Final Terms, on the occurrence of an Automatic Early Redemption Event the Notes will be automatically redeemed at their Automatic Early Redemption Amount.

### **Ownership in respect of the Notes in registered form**

The Issuer will, in respect of the Registered Notes, cause a register (the "**Register**") to be kept at the specified office of the Registrar in which will be entered the names and addresses of the holders of the Registered Notes and particulars of the Registered Notes held by them and all transfers and redemptions of the Registered Notes.

Ownership in respect of the Registered Notes is established by the relevant registration (*inscription*) in the Register. Individual Certificates representing the Registered Notes may be issued but they do not confer title to the Registered Notes. Such Individual Certificates would also, in principle, not be conclusive evidence to prove ownership in respect of the Registered Notes.

### **Risks associated with Notes held in global form**

Bearer Notes and Registered Notes will initially be represented by a Global Note deposited with a common depositary or a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or a depositary for one or more other clearing systems specified in the applicable Final Terms (each a "**Relevant Clearing System**"). A Global Note or Global Certificate will be exchangeable for Definitive Notes or Individual Certificates only in limited circumstances described in the Global Notes or Global Certificates.

For so long as any Notes are held by or on behalf of a Relevant Clearing System, payments of principal, interest and any other amounts will be made through the Relevant Clearing System, where required, against presentation (where applicable) or surrender (as the case may be) of the relevant Global Note or Global Certificate and, in the case of a temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant Global Note or the registered holder of the relevant Global Certificate, typically a depositary for the Relevant Clearing System and not the holders of only a beneficial interest in the Global Note or Global Certificate, shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes and the Issuer will discharge payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or such other depositary, as the case may be, for distribution to their accountholders.

Notes which are held by or on behalf of a Relevant Clearing System will be transferable only in accordance with the rules and operating procedures for the time being of the Relevant Clearing System and investors will have to rely on such rules and operating procedures for transfer, payment and communication with the Issuer. None of the Issuer and the Paying Agents have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes and shall not under any circumstances be liable for any acts or defaults of any Relevant Clearing System in relation to the performance of its duties in relation to the Notes. Access to the Relevant Clearing Systems is available through their respective participants.

Accountholders holding beneficial interests in the Global Notes or Global Certificates through a Relevant Clearing System will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the Relevant Clearing System to appoint appropriate proxies. Similarly, accountholders holding beneficial interests in the Global Notes or Global Certificates relating to the Euro Notes through a Relevant Clearing System will not have a direct right under the Global Notes or Global Certificates to take enforcement action against the Issuer in the event of a default

under the relevant Notes but will have to rely upon their rights under the Deed of Covenant (as defined in the Conditions).

### **Settlement Risk**

Settlement of the Notes is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any clearing system in relation to the performance of its duties in relation to the Notes.

### **Risk associated with nominee arrangements**

Where a nominee service provider is used by an investor to hold Notes or such investor holds interests in any Note through accounts with a Relevant Clearing System, such investor will receive payments in respect of principal, interest, or any other amounts due, or securities deliverable, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or Relevant Clearing System, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or Relevant Clearing System to distribute all payments or securities attributable to the relevant Notes which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or Relevant Clearing System, as well as the Issuer.

In addition, such a Noteholder will only be able to sell any Notes held by it prior to their stated maturity date with the assistance of the relevant nominee service provider. None of the Issuer or any Paying Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Relevant Clearing System nor makes any representation or warranty, express or implied, as to the service provided by any relevant nominee service provider or Relevant Clearing System.

### **The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors**

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

### **Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued**

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

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



### **The return on an investment in Notes will be affected by charges incurred by investors**

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or Relevant Clearing System used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts or delivery of securities. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional — domestic or foreign — parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

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

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

### **A credit rating reduction may result in a reduction in the trading value of the Notes**

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuer by standard statistical rating services, such as Moody's, S&P and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could result in a reduction in the trading value of the Notes.

## **Legal investment considerations may restrict certain investments**

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

## **Change of law**

The Terms and Conditions of the Euro Notes are governed by English law and the Terms and Conditions of Luxembourg Notes are governed by Luxembourg law, each in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or Luxembourg law or administrative practice after the date of this Base Prospectus.

## **Hiring Incentives to Restore Employment Act withholding may affect payments on the Notes**

The U.S. Hiring Incentives to Restore Employment Act imposes a 30 per cent. withholding tax on payments to non-U.S. holders in respect of amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. A non-U.S. holder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the U.S. Internal Revenue Service ("**IRS**"). Prospective investors should refer to the section *"Taxation – Hiring Incentives to Restore Employment Act withholding."*

## **U.S. Foreign Account Tax Compliance Act**

While the Notes are in global form and held within the ICSDs, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the ICSDs (see *"Taxation – Foreign Account Tax Compliance Act"*). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has made payment to, or to the order of, the common depositary or common safekeeper for the ICSDs (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "**IGA**") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

## **Benchmark reforms and licensing**

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate, equity, commodity, foreign exchange and other types of indices which are deemed to be

"benchmarks", are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Key international regulatory initiatives relating to the reform of benchmarks include (i) IOSCO's Principles for Financial Benchmarks<sup>5</sup> (the "**IOSCO Principles**") and Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directive 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**"). The IOSCO Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering (among other things) governance and accountability as well as the quality, integrity and transparency of benchmark design, determination and methodologies. A review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Principles noted that there have been significant but mixed progress on implementation of IOSCO Principles but that as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future.

The Benchmarks Regulation was published in the official journal on 29 June 2016. Most of provisions of the Benchmarks Regulation will apply from 1 January 2018 with the exception of certain provisions, mainly on critical benchmarks, that applied from 30 June 2016. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, such as EURIBOR, applies to many interest rate, foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue (EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF)) or via a systematic internaliser, certain financial contracts and investment funds. Different types of benchmark (critical benchmarks, significant benchmarks, non-significant benchmarks, interest rate benchmarks, commodity benchmarks, regulated data benchmarks) are subject some variations to take into account their characteristics.

The Benchmarks Regulation could have a material impact on any Notes traded on a trading venue or via a "systematic internaliser" linked to a "benchmark" index, including in any of the following circumstances:

- subject to any applicable transitional provisions, an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator, or the benchmark is not entered in or is removed from ESMA's register of Benchmarks Regulation approved benchmarks (as the administrator does not obtain or retain authorisation or registration under the Benchmarks Regulation, if based in a non-EU jurisdiction, the administrator does not obtain or retain recognition or endorsement and the administrator/benchmark does not benefit from equivalence); or
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation.

Any of the above changes or any other consequential changes to any benchmark as a result of international, national or other reforms or investigations could potentially:

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<sup>5</sup> Principles for Financial Benchmarks – Final Report - FR07/13, July 2013, as recently supplemented by IOSCO's Report on Guidance on the IOSCO Principles for Financial Benchmarks FR 13/2016 providing guidance on the statement of compliance

- lead to Notes being de-listed, adjusted, redeemed early, subject to discretionary valuation by the Calculation Agent or otherwise impacted depending on the particular "benchmark" and the applicable terms of Notes;
- affect the level of the published rate or the level of the benchmark, including causing it to be lower or more volatile than in the past;
- increase the costs of administering or otherwise participating in the setting of a "benchmark" and complying with such regulations or requirements;
- discourage market participants from continuing to administer or contribute to certain "benchmarks"
- trigger changes in the rules or methodologies used in certain "benchmarks";
- lead to the disappearance of certain "benchmarks" (or certain currencies or tenors of benchmarks); or
- have other adverse effects of unforeseen consequences.

Any such consequences could have a material adverse effect on the value of and return on any Notes.

A benchmark licence may also be required for the issuance/calculation of amounts payable under any Notes referencing a benchmark. To the extent any such licence is not obtained or retained, it may not be possible for such Notes to reference the benchmark and the Notes may be adjusted or redeemed early or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by benchmark reforms, investigations and licensing issues in making any investment decision with respect to Notes.

**The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Notes.**

On 15 May 2014, the Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") was adopted.

The impact of the BRRD and its implementing provisions on credit institutions, including the Issuer, is currently unclear but its current and future implementation and application to the Issuer or the taking of any action under it could materially affect the activity and financial condition of the Issuer and the value of any Notes.

Moreover, Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") and to the national resolution authorities.

The BRRD currently contains four resolution tools and powers:

- (i) sale of business: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;

- (ii) bridge institution: enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a public controlled entity holding such business or part of a business with a view to reselling it);
- (iii) asset separation: enables resolution authorities to transfer impaired or problem assets to asset management vehicles to allow such assets to be managed and worked out over time; and
- (iv) bail-in: gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including Notes) to equity (the "**general bail-in tool**"), which equity could also be subject to any future write-down by application of the general bail-in tool

The powers set out in the BRRD will impact how credit institutions, including the Issuer, and investment firms are managed as well as, in certain circumstances, the rights of creditors. In particular, Noteholders may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool (including amendment of the terms of the Notes such as a variation of the maturity), which may result in such holders losing some or all of their investment.

The exercise of any power under the BRRD as applied to the Issuer or any suggestion of such exercise could, therefore, materially adversely affect the rights of the Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

The Single Resolution Board works in close cooperation with the CSSF, in particular in relation to the elaboration of resolution planning, and assumes full resolution powers since 1 January 2016. It is not yet possible to assess the full impact of the BRRD and the Luxembourg law provisions implementing the BRRD on the Issuer and there can be no assurance that its implementation or the taking of any actions currently contemplated in it will not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Since November 2014, the ECB has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the SSM. In addition, a SRM has been put in place to ensure that the resolution of banks across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the start of 2016.

The Issuer has been designated as a significant supervised entity for the purposes of Article 49(1) of the SSM Regulations and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that the Issuer is also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

#### *Application of the BRR Act 2015 to BGL*

If the debt bail-in tool and the statutory write-down and conversion power become applicable to BGL, the Notes may be subject to write-down or conversion into equity on any application of the bail-in tool, which may result in such holders losing some or all of their investment. Subject to certain conditions, the terms of the obligations owed by BGL may also be varied by the resolution authority (e.g. as to maturity, interest and interest payment dates). The exercise of any power under the BRR Act 2015 or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of BGL to satisfy its obligations under any Notes.

The Single Resolution Board and the CSSF as Luxembourg resolution authority when applying the above resolution tools and taking the above resolution measures may trigger the loss of the entire or a substantial part of the investments of Noteholders and may have a negative impact on the market value of Notes.

## **Risks related to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may, in addition to the risks described above, have features which contain particular risks for potential investors.

Prospective investors should consult their own financial, tax and legal advisors as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances and ensure that its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to make. The Issuer believes that such Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves, in particular relating to options and derivatives and related transactions, and should be prepared to sustain a total loss of the purchase price of their Notes.

Set out below is a description of some of the most common of such features.

### **Structured Notes in general**

An investment in Notes, the payment of principal, interest and/or premium of which is determined by reference to one or more Underlying Reference (either directly or indirectly) and has certain structural features or combination of structural features ("**Structured Notes**"), may entail significant risks not associated with similar investments in a conventional debt security or a direct investment in the Underlying Reference, including the risks that the resulting rate of return will be less than that on a conventional debt security or the Underlying Reference and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant Underlying Reference should be taken as an indication of future performance of (a) such Underlying Reference or (b) the trading or market value of a Note, during the term of any Note.

An issue of Structured Notes may not give a holder the right to reimbursement of the nominal value of such Note. Accordingly, investment in Structured Notes is only suitable for investors who are prepared to accept the risk that all or part of their capital may be lost.

The Underlying Reference(s) and/or the composition thereof, method of calculation (if applicable) or other factors of the Underlying Reference(s) may change in the future. There is no assurance that issuers, sponsors, licensors of the Underlying Reference(s) or any other third party (as the case may be) who have an influence on the Underlying Reference(s) will not change the composition thereof, method of calculation or other factors of the Underlying Reference(s). Any such change to the Underlying Reference(s) may be beyond the control of the Issuer and may adversely affect the value of the Notes.

If the formula used to determine the amount of principal, interest and/or premium, if any, with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the Underlying Reference(s) will be magnified. In recent years, values of certain Underlying Reference(s) have been highly volatile; such volatility in the past is not necessarily indicative, however, of fluctuations that may occur in the future.

Structured Notes are Notes which do not provide for predetermined redemption amounts and/or interest payments but amounts payable (whether in respect of principal and/or interest) will be dependent upon the performance of the Underlying Reference which themselves may contain substantial interest rate, foreign exchange, correlation, time value, political and/or other risks. The exposure to the Underlying Reference in many cases will be achieved by the Issuer entering into hedging arrangements. Potential investors should be aware that under the terms of Structured Notes they are exposed to the performance of these hedging arrangements and the events that may affect these hedging arrangements and consequently the occurrence of any of these events may affect the value of the Notes.

An investment in Structured Notes linked to an Underlying Reference therefore entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include, among other things, the possibility that:

- the Underlying Reference may be subject to significant changes, whether due to the composition of any such Underlying Reference itself, or because of fluctuations in value of the Underlying Reference;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time;
- the holder of a Structured Note linked to an Underlying Reference could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest may cease to be payable on such Note;
- any Note that is linked to more than one type of Underlying Reference, or to formulae that encompass the risks associated with more than one type of Underlying Reference, may carry levels of risk that are greater than Notes that are indexed to one type of Underlying Reference only;
- it may not be possible for investors to hedge their exposure to these various risks relating to Structured Notes linked to one or more Underlying Reference(s);
- a significant market disruption could mean that any Underlying Reference ceases to exist; and
- as a result of one or more of the above factors the trading or market value of the Structured Notes may be volatile or non-correlated with the Underlying Reference.

#### **Notes subject to optional redemption by the Issuer**

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

The Issuer may choose to redeem Notes early for various reasons. For example, the Issuer may choose to redeem Notes early when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time and that it may not be able to find a comparable product to the Note being redeemed at the time of redemption. In addition, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes and part of the Noteholders' investment may be lost.

#### **Additional Disruption Events and Optional Additional Disruption Events**

If an Additional Disruption Event or any Optional Additional Disruption Event specified in the applicable Final Terms occurs, the Notes may be subject to adjustment or redemption or the amount payable on scheduled redemption may be different from the amount expected to be paid at scheduled redemption. The Additional Disruption Events relate to changes in law (including changes in tax or regulatory capital requirements) and hedging disruption in respect of any hedging transactions relating to the Notes (both as more fully set out in the Conditions). Optional Additional Disruption Events relate to increased cost of any hedging transactions in respect of the Notes (as set out in the Conditions).

Consequently the occurrence of an Additional Disruption Event and/or an Optional Additional Disruption Event may have an adverse effect on the value or liquidity of the Notes.

### **Limited Exposure to Underlying Reference**

If the applicable Final Terms provide that the exposure of any Structured Notes to one or more Underlying References is limited or capped to a certain level or amount, such Notes will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

### **Partly Paid Notes**

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

### **Inverse Floating Rate Notes**

Investments in Notes which bear interest at an inverse floating rate comprise (a) a fixed base rate minus (b) a reference rate ("**Inverse Floating Rate Notes**"). Investors should note that any increase in the value or level of the Underlying Reference will not lead to a corresponding increase in the principal, interest and/or premium payable on the Notes and consequently the value of the Notes. Any increase in the value or level of the Underlying Reference will result in a decrease in the principal, interest and/or premium payable on the Notes, and therefore the market value of such Notes. The market value of such Notes is usually more volatile than the market value of floating rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which may further reduce the market value of these Notes.

### **Variable Rate Notes**

The Issuer may issue Notes where the redemption amount, interest and/or premium, if any payable on the Notes is linked to changes in one or more rates and/or Underlying References specified in the Final Terms ("**Variable Rate Notes**") during the period specified therein. Prospective purchasers of the Notes should make their own independent evaluation of the risks associated with an investment in the Notes. The rates and/or Underlying References to which the Variable Rate Notes are linked to may be volatile and unpredictable. Investors should be aware that it may be possible that there may be significant changes in such rates and/or Underlying References and such changes may lead to a decrease in the value of the Notes and the amount of the redemption amount and any interest and/or premium payable on the Notes.

### **Fixed to Floating Rate Notes**

Fixed to floating rate Notes initially bear interest at a fixed rate. Conversion from a fixed rate to a floating rate then takes place either automatically or, in the case of Exempt Notes only, at the option of the Issuer (if certain predetermined conditions are met or at the sole discretion of the Issuer). The conversion (whether automatic or optional) of the interest rate will affect the secondary market in, and the market value of, the Notes since the conversion may lead to a lower overall cost of borrowing for the Issuer. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes.

### **Fixed Rate Notes**

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

### **Certain Considerations Associated with Securities Linked to Emerging Markets**

The Issuer may issue Notes where the amount payable on redemption or the interest payable is linked to Underlying References which consist of (i) indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) Notes which are denominated in the



currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Prospective investors should note that additional risks may be associated with investment in such Notes, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws including, but not limited to, those relating to expropriation, nationalisation and confiscation.

Notes traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

Increased custodian costs as well as administrative difficulties (such as the applicability of the laws of the jurisdictions of emerging or developing countries to custodians in such jurisdictions in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalisation and record access) may also arise from the maintenance of assets in such emerging or developing countries.

Prospective purchasers of such Notes should also be aware that the probability of the occurrence of a disruption event and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets. Prospective purchasers are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

#### **The occurrence of a FX Settlement Disruption Event may lead to postponement or payment in an alternative currency**

If FX Settlement Disruption applies to the Notes and the Calculation Agent determines on the second Business Day prior to the relevant due date for payment (the "**FX Disrupted Payment Date**") that a FX Settlement Disruption Event has occurred and is subsisting, investors should be aware that payments of principal and/or interest (if applicable) may (i) occur at a different time than expected and that no additional amount of interest will be payable in respect of any delay in payment of principal and/or interest and (ii) be made in USD (the "**FX Settlement Disruption Currency**"). In certain circumstances, the rate of exchange used to convert the currency in which the Notes are denominated into the FX Settlement Disruption Currency may not be the market rate of exchange for such currencies and, in some cases, may be determined by the Calculation Agent in its discretion.

#### **Notes issued at a substantial discount or premium**

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

#### **Noteholders will not be able to calculate in advance their rate of return on Floating Rate Notes**

A key difference between Notes which pay a floating rate of interest ("**Floating Rate Notes**") and Notes which pay a fixed rate of interest ("**Fixed Rate Notes**") is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and *vice versa*).

## **Zero Coupon Notes are subject to higher price fluctuations than non-discounted Notes**

Changes in market interest rates generally have a substantially stronger impact on the prices of Zero Coupon Notes (as defined below) than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other notes having the same maturity and credit rating.

## **Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes, Equity Index-Linked Notes, Dual Currency Notes and Underlying Interest Rate-Linked Notes**

### **(a) *Inflation Index-Linked Notes***

Inflation Index-Linked Notes ("**Inflation Index-Linked Notes**") are Notes whose redemption amount, interest amounts and/or premium, if any, may be linked to the performance of one or more inflation or price indices during a specified period or on specified dates (as set out in the relevant Final Terms). Investment in Inflation Index-Linked Notes involves risks not associated with an investment in conventional debt securities. In addition to the risk factors that may apply to Notes in general and Structured Notes in general, potential investors should be aware that in relation to Inflation Index-Linked Notes:

- (i) the payment of principal, interest and/or premium is linked to the change in the level of the relevant inflation or price index. If there is little or no change in inflation, the level of the inflation or price index may not change. If there is deflation, the level of the inflation or price index may decrease; consequently, the payment of principal, interest and/or premium, if any, may be less than expected, may be zero or may be the principal protected amount, if any (as specified in the relevant Final Terms);
- (ii) the inflation or price index itself and the way such inflation or price index is calculated may change in the future. There can be no assurance that the sponsor of the relevant inflation or price index will not change the method by which it calculates the index. In addition, changes in the way the inflation or price index is calculated could reduce the level of the index, lower the redemption amount, interest amount and/or premium, if any, payable on the Notes and consequently significantly reduce the value of the Notes. If the relevant inflation or price index is substantially altered or has been terminated and/or a substitute index is employed to calculate the redemption amount, interest amounts and/or premium, if any, payable on the Notes, as described in the applicable Final Terms, that substitution may adversely affect the value of the Notes;
- (iii) the historical levels of the relevant inflation or price index are not an indication of future levels of such index. Fluctuations and trends in the inflation or price index that may have occurred in the past are not necessarily indicative of fluctuations or trends that may occur in the future. Noteholders will receive the redemption amount, interest amounts and/or premium, if any, which will be affected by changes in the relevant inflation or price index and such changes may be significant. Changes in the inflation or price index may be a result of various factors over which the Issuer has no control;
- (iv) where an "adjusted" inflation or price index is being used in calculating the redemption amount, interest amounts and/or premium, if any, payable on the Notes, there is a risk that the adjustments that have been made by the sponsor of such "adjusted" inflation or price index have not been made accurately in reducing the impact of seasonally and trends which affect inflation. Conversely, where a "non-adjusted" inflation or price index is being used in calculating the redemption amount, interest amounts and/or premium, if any, payable on the Notes, Noteholders should be aware that such "non-adjusted" inflation or price index is subject to the effects of seasonality and trends which affect inflation;

- (v) in certain circumstances following cessation of publication of the inflation index, the Calculation Agent may determine that there is no appropriate alternative inflation index, in which case the Issuer may redeem the Notes. Such action may have an effect on the value of the Notes;
- (vi) if the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the inflation index or the indices on principal or interest payable will be magnified; and
- (vii) the market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the inflation index or indices. The level of the inflation index or indices may be affected by the economic, financial and political events in one or more jurisdictions.

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

(b) *Foreign Exchange (FX) Rate-Linked Notes*

Foreign Exchange (FX) Rate-Linked Notes ("**Foreign Exchange (FX) Rate-Linked Notes**") are Notes whose redemption amount, interest amounts and/or premium, if any, may be linked to one or more currency exchange rate. An investment in Foreign Exchange (FX) Rate-Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On redemption of Foreign Exchange (FX) Rate-Linked Notes, Noteholders will receive an amount (if any) determined by reference to the value of one or more Subject Currencies against one or more Base Currencies. Accordingly, an investment in Foreign Exchange (FX) Rate-Linked Notes may bear similar market risks to a direct currency investment, and investors should take advice accordingly.

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

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Foreign Exchange (FX) Rate-Linked Notes. Furthermore, investors who intend to convert gains or losses from the redemption or sale of Foreign Exchange (FX) Rate-Linked Notes into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Purchasers of Foreign Exchange (FX) Rate-Linked Notes risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). If additional securities relating to particular currencies or particular currency indices are subsequently issued, the supply of securities relating to such currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Notes and such other securities trade in the secondary market to decline significantly. In recent years, rates of exchange between some currencies have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Note. Fluctuations in exchange rates will affect the value of Foreign Exchange (FX) Rate-Linked Notes.

If the amount of principal and/or interest payable are dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable is dependent upon movements in currency exchange rates, may depend upon the time remaining to the redemption date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions.

If the Calculation Agent determines that a Disruption Event (as defined in the Foreign Exchange (FX) Rate-Linked Note Conditions) has occurred or exists on such valuation date, any consequential postponement of the valuation date, or any alternative provisions for valuation provided in any such Notes may have an adverse effect on the value and liquidity of such Notes. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Notes such that the Noteholder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Notes than otherwise would have been the case. The occurrence of such a Disruption Event in relation to any currency exchange rate comprising a basket may also have such an adverse effect on Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the date of redemption of the Notes.

(c) *Risks relating to Equity Index-Linked Notes*

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the level of an equity index or indices ("**Equity Index-Linked Notes**").

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

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

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the equity index or indices. The level of the equity

index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the equity index or indices may be traded. The equity index may reference equities or other securities.

For the avoidance of doubt, the Issuer and/or its affiliates may not be able to trade on and hedge its obligations in respect of the equity index under the Notes notwithstanding the calculation or publication of the level of such equity index. In the event that any relevant date for valuation is a Disrupted Day for such equity index, that valuation date shall be the first succeeding day that is not a Disrupted Day and on which the Issuer or relevant affiliate is able to trade on and hedge its obligations in respect of such equity index, subject to a specified maximum days of disruption, as more fully set out in the terms and conditions of the Notes. Where this occurs on (i) the Strike Date for valuation, the Calculation Agent will not be able to determine the initial or strike level for the equity index or (ii) the final date for valuation, the Calculation Agent will not determine the final level for the equity index until such time as the disruption is no longer subsisting, or the specified maximum days of disruption has elapsed, whichever is sooner. Investors should be aware that any delay to the determination of the final level of the equity index may result in a delay in the payment of the Final Redemption Amount.

(d) *Dual Currency Notes*

Dual Currency Notes issued under the Programme will be Exempt Notes. The Issuer may issue Notes with principal, interest and/or premium payable in one or more currencies 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 in general and Structured Notes 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 and/or premium;
- (iii) payment of principal, interest and/or premium (if applicable) may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) 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
- (vi) the exchange rate used to calculate amounts payable in the settlement currency may be fixed prior to, on or after the issue date of the Notes, meaning the investors will not benefit from favourable changes in exchange rates during the terms of the Dual Currency Notes.

(e) *Underlying Interest Rate-Linked Notes*

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon movements in underlying interest rates ("**Underlying Interest Rate-Linked Notes**"). Accordingly an investment in Underlying Interest Rate-Linked Notes may bear similar market risks to a direct interest rate investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that, depending on the terms of the Underlying Interest Rate-Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose a substantial portion of their investment. In addition, movements in interest rates may be subject to significant fluctuations that may not correlate with changes in other indices and the timing of

changes in the interest rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in interest rates, the greater the effect on yield.

Interest rates are determined by various factors which are influenced by macro economic, political or financial factors, speculation and central bank and government intervention. In recent years, interest rates have been relatively low and stable, but this may not continue and interest rates may rise and/or become volatile. Fluctuations that have occurred in any interest rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Note. Fluctuations in interest rates will affect the value of Underlying Interest Rate-Linked Notes.

If the amount of principal and/or interest payable are dependent upon movements in interest rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on principal or interest payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable is dependent upon movements in interest rates, may depend upon the time remaining to the redemption date and the volatility of interest rates. Movements in interest rates may be dependent upon economic, financial and political events in one or more jurisdictions.

**Additional Factors relating to certain Underlying References:**

*Adjustment to indices*

Where the Underlying Reference is an index, if an index adjustment event (as described in the terms and conditions of the Notes) occurs the Issuer may require the Calculation Agent to make such adjustments as it determines appropriate to the terms of the Notes or redeem the Notes. Such action may have an adverse effect on the value and liquidity of the affected Underlying Reference Linked Notes.

*Market Disruption Events or Failure to Open of an Exchange*

If an issue of Underlying Reference Linked Notes includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a date for valuation of an Underlying Reference and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such valuation date, any consequential postponement of the valuation date, or any alternative provisions for valuation provided in any such Notes may have an adverse effect on the value and liquidity of such Notes. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Notes such that the Noteholder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Notes than otherwise would have been the case. The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Underlying Reference comprising a basket may also have such an adverse effect on Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the date of redemption of the Notes.

## IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF NOTES

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a **"Non-exempt Offer"**.

If, in the context of a Non-exempt Offer, you are offered Notes by any entity, you should check that such entity has been given consent to use this Base Prospectus for the purposes of making its offer before agreeing to purchase any Notes. The following entities have consent to use this Base Prospectus in connection with a Non-exempt Offer:

- any entity named as a Dealer or Manager in the applicable Final Terms;
- any financial intermediary specified in the applicable Final Terms as having been granted specific consent to use the Base Prospectus;
- any financial intermediary named on the Issuer's website ([www.bgl.lu](http://www.bgl.lu)) as an Authorised Offeror in respect of the Non-exempt Offer (if that financial intermediary has been appointed after the date of the applicable Final Terms); and
- if Part B of the applicable Final Terms specifies "General Consent" as "Applicable", any financial intermediary authorised to make such offers under MiFID who has published the Acceptance Statement (set out below) on its website.

The entities listed above have been given consent to use the Base Prospectus only during the Offer Period specified in the applicable Final Terms and only in the Non-exempt Offer Jurisdictions specified in the applicable Final Terms. Other than as set out above, the Issuer has not authorised the making of any Non-exempt Offer by any person and the Issuer has consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Notes.

Please see below for certain important legal information relating to Non-exempt Offers.

### Restrictions on Non-exempt offers of Notes in relevant Member States

This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Notes in each Member State in relation to which the Issuer has given its consent, as specified in the applicable Final Terms (each specified Member State a **"Non-exempt Offer Jurisdiction"** and together the **"Non-exempt Offer Jurisdictions"**). Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under *"Consent given in accordance with Article 3.2 of the Prospectus Directive"* below and provided such person complies with the conditions attached to that consent.

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

### Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of a Non-exempt Offer of Notes, the Issuer accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an **"Investor"**) who purchases any Notes in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and, provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The

consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuer or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

**Except in circumstances set out in the following paragraphs, the Issuer has not authorised the making of any Non-exempt Offer by any Offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Notes. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.**

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of the relevant Non-exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

The financial intermediaries referred to in paragraphs (a)(ii), (a)(iii) and (b) below are together the "**Authorised Offerors**" and each an "**Authorised Offeror**".

### ***Consent***

In connection with each Tranche of Notes and subject to the conditions set out below under "*Common Conditions to Consent*":

#### ***Specific consent***

- (a) the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Notes by:
  - (i) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;
  - (ii) any financial intermediaries specified in the applicable Final Terms; and
  - (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website ([www.bgl.lu](http://www.bgl.lu)) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer; and

#### ***General consent***

- (b) if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Notes by any other financial intermediary which satisfies the following conditions:
  - (i) it is authorised to make such offers under applicable legislation implementing MiFID; and
  - (ii) it accepts the Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets duly completed) (the "**Acceptance Statement**"):



*"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by BGL BNP Paribas (the "**Issuer**"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [specify Member State(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus) and confirm that we are using the Base Prospectus accordingly."*

The "**Authorised Offeror Terms**", being the terms to which the relevant financial intermediary agrees in connection with using this Base Prospectus, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer:
- I. act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor,;
  - II. comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply if the relevant financial intermediary were a Dealer;
  - III. ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by the relevant financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
  - IV. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
  - V. comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
  - VI. retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer, the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer and the relevant Dealer, as the case may be;

- VII. ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- VIII. co-operate with the Issuer and the relevant Dealer in providing relevant information (including, without limitation, documents and records maintained pursuant to paragraph (VI) above) and such further assistance as is reasonably requested upon written request from the Issuer or the relevant Dealer in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process. For this purpose, "**relevant information**" is information that is available to or can be acquired by the relevant financial intermediary:
- (a) in connection with any request or investigation by any regulator in relation to the Notes, the Issuer or the relevant Dealer; and/or
  - (b) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in the Rules; and/or
  - (c) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements;
- IX. during the period of the initial offering of the Notes: (a) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (b) only sell the Notes for settlement on the Issue Date specified in the applicable Final Terms; (c) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (d) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (e) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;
- X. either (a) obtain from each potential investor an executed application for the Notes, or (b) keep a record of all requests the relevant financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- XI. ensure that it does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- XII. immediately inform the Issuer and the relevant Dealer if at any time it becomes aware, or suspects, that it is or may be in violation of any Rules

and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

- XIII. ensure that Investors understand the rights associated with an investment in the Notes;
  - XIV. comply with the conditions to the consent referred to under "*Common Conditions to Consent*" below and any further requirements or other Authorised Offeror Terms relevant to the Non-exempt Offer as specified in the applicable Final Terms;
  - XV. make available to each potential Investor in the Notes this Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus; and
  - XVI. if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (a) is fair, clear and not misleading and complies with the Rules, (b) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and the relevant Dealer accepts any responsibility for such communication and (c) does not, without the prior written consent of the Issuer, or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Notes on the basis set out in this Base Prospectus;
- (B) agrees and undertakes to each of the Issuer and the relevant Dealer that if it or any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a "**Relevant Party**") incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) (a "**Loss**") arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer, the relevant financial intermediary shall pay to the Issuer or the relevant Dealer, as the case may be, an amount equal to the Loss. None of the Issuer nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and
- (C) agrees and accepts that:
- I. the contract between the Issuer and the relevant financial intermediary formed upon acceptance by the relevant financial intermediary of the

Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Non-Exempt Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;

- II. subject to (V) below when the offer relates to Euro Notes, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the Issuer and the relevant financial intermediary submit to the exclusive jurisdiction of the English courts;
- III. where the offer relates to Luxembourg Notes, the courts within the jurisdiction of Luxembourg have jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the Issuer and the financial intermediary submit to the jurisdiction of such Luxembourg courts;
- IV. for the purposes of (C) (II) and (V), the relevant financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
- V. to the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (a) proceedings in any other court with jurisdiction; and (b) concurrent proceedings in any number of jurisdictions; and
- VI. each Relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any Authorised Offeror falling within (b) above who meets the conditions set out in (b) and the other conditions stated in "*Common Conditions to Consent*" below and who wishes to use this Base Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.**

### ***Common Conditions to Consent***

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Non-exempt Offer are (in addition to the conditions described in paragraph (b) above if Part B of the applicable Final Terms specifies "*General Consent*" as "Applicable") that such consent:

- (a) is only valid during the Offer Period specified in the applicable Final Terms; and
- (b) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in Belgium, France, Germany or Luxembourg, as specified in the applicable Final Terms.

The consent referred to above only relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

The only relevant Member States which may, in respect of any Tranche of Notes, be specified in the applicable Final Terms (if any Relevant Member States are so specified) as indicated in (b) above, will be Belgium, France, Germany or Luxembourg, and accordingly each Tranche of Notes may only be offered to Investors as part of a Non-exempt Offer in Belgium, France, Germany or Luxembourg, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

#### ***ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS***

**AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER OR, FOR THE AVOIDANCE OF DOUBT, ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

*The following section relates to Non-exempt Notes.*

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the relevant Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, will be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete the Conditions and must be read in conjunction with this Base Prospectus. For a Tranche of Notes which is the subject of a Drawdown Prospectus, that Drawdown Prospectus will complete, supplement, amend and/or replace the Conditions. The Terms and Conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed to the extent described in the relevant Final Terms or which is the subject of a Drawdown Prospectus are the Conditions as completed, supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

In relation to Non-exempt Notes, in accordance with Article 5.3 of the Prospectus Directive, any Drawdown Prospectus will be drawn up as a single document containing the necessary information relating to the Issuer and the relevant Notes.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following section applies to both Exempt Notes and Non-exempt Notes.*

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. The applicable terms of any Notes will be agreed between the Issuer and the Relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, completed and in the case of Exempt Notes only, modified and supplemented by the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) attached to, endorsed on or relating to, such Notes, as more fully described under "**Form of the Notes**".

In relation to Non-exempt Notes a summary of the terms and conditions of the Programme and the Notes is set out under "**Summary of the Base Prospectus**" and, in relation to each issue of Non-exempt Notes, an issue specific summary will be annexed to the applicable Final Terms where the minimum denomination of the Notes is less than €100,000 (or the equivalent in another currency). No Summary is required for Exempt Notes.

Application has been made to the CSSF in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (as amended from time to time) to approve this document as a Base Prospectus in respect of Non-exempt Notes. Application has been made to the Luxembourg Stock Exchange to approve this document as a base prospectus in respect of Exempt Notes in accordance with Part IV of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended, and for Notes issued under the Programme to be listed on the Official List and admitted to trading on the Luxembourg Regulated Market, which is the regulated market of the Luxembourg Stock Exchange for the purpose of MiFID.

Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the 12 months from the date of approval of this Base Prospectus to be listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange. The Euro MTF Market is not a regulated market for the purpose of MiFID.

Application may also be made to Euronext Brussels for Notes issued under the Programme during the 12 months from the date of approval of this Base Prospectus to be admitted to listing and trading on Euronext Brussels, which is the regulated market of Euronext Brussels for the purpose of MiFID.

## DOCUMENTS INCORPORATED BY REFERENCE

*The following section applies to both Exempt Notes and Non-exempt Notes.*

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

- (a) the Annual Report of the Issuer for the year ended 31 December 2016 (in French) (the "**French Annual Report 2016**") including the:

Audit Report	set out at page 39
Consolidated Profit and Loss Account 2016	set out at page 41
Statement of Consolidated Net Income and Changes in Assets and Liabilities Recognised Directly in Consolidated Equity	set out at page 42
Consolidated Balance Sheet 2016	set out at page 43
Statement of Changes in the Consolidated Shareholders' Equity	set out at pages 44 to 45
Consolidated Cash Flow Statement 2016	set out at pages 46 to 47
Notes to the Consolidated Financial Statements	set out at pages 48 to 175

- (b) the Annual Report of the Issuer for the year ended 31 December 2016 (in English) (the "**English Annual Report 2016**") including the:

Audit Report	set out at page 37
Consolidated Profit and Loss Account 2016	set out at page 39
Statement of Consolidated Net Income and Changes in Assets and Liabilities Recognised Directly in Consolidated Equity	set out at page 40
Consolidated Balance Sheet 2016	set out at page 41
Statement of Changes in the Consolidated Shareholders' Equity	set out at pages 42 to 43
Consolidated Cash Flow Statement 2016	set out at pages 44 to 45
Notes to the Consolidated Financial Statements	set out at pages 46 to 165

- (c) the Annual Report of the Issuer for the year ended 31 December 2015 (in French) (the "**French Annual Report 2015**") including the:

Audit Report	set out at page 41
Consolidated Profit and Loss Account 2015	set out at page 42
Statement of Consolidated Net Income and Changes	set out at page 43



in Assets and Liabilities Recognised Directly in Consolidated Equity

Consolidated Balance Sheet 2015 set out at page 44

Statement of Changes in the Consolidated Shareholders' Equity set out at pages 45 to 47

Consolidated Cash Flow Statement 2015 set out at pages 48 to 49

Notes to the Consolidated Financial Statements set out at pages 50 to 180

- (d) the Annual Report of the Issuer for the year ended 31 December 2015 (in English) (the "**English Annual Report 2015**") including the:

Audit Report set out at page 39

Consolidated Profit and Loss Account 2015 set out at page 40

Statement of Consolidated Net Income and Changes in Assets and Liabilities Recognised Directly in Consolidated Equity set out at page 41

Consolidated Balance Sheet 2015 set out at page 42

Statement of Changes in the Consolidated Shareholders' Equity set out at pages 43 to 45

Consolidated Cash Flow Statement 2015 set out at pages 46 to 47

Notes to the Consolidated Financial Statements set out at pages 48 to 176

- (e) the terms and conditions set out on pages 138 to 254 of the base prospectus dated 24 June 2013 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (including the sections entitled "*Terms and Conditions of the Euro Notes*", "*Terms and Conditions of the Luxembourg Notes*" and each of the Schedules thereto) as supplemented by the supplement to such base prospectus dated 9 October 2013 at page 7 (under the heading "*Terms and Conditions of the Euro Notes*") and page 8 (under the heading "*Terms and Conditions of the Luxembourg Notes*") thereof (the "**2013 Conditions**");
- (f) the terms and conditions set out on pages 148 to 265 of the base prospectus dated 24 June 2014 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (including the sections entitled "*Terms and Conditions of the Euro Notes*", "*Terms and Conditions of the Luxembourg Notes*" and each of the Schedules thereto) (the "**2014 Conditions**");
- (g) the terms and conditions set out on pages 153 to 262 of the base prospectus date 24 June 2015 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (including the sections entitled "*Terms and Conditions of the Euro Notes*", "*Terms and Conditions of the Luxembourg Notes*" and each of the Schedules thereto) (the "**2015 Conditions**");
- (h) the terms and conditions set out on pages 181 to 251 of the base prospectus dated 22 June 2016 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (including the sections entitled "*Terms and Conditions of the Euro Notes*", "*Terms and Conditions of the Luxembourg Notes*" and each of the Schedules thereto) (the "**2016 Conditions**"),

save that any statement contained in the documents deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in this Base Prospectus modifies or supersedes such statement.

In the case of (a), (b), (c) and (d) above, the information incorporated by reference that is not included in any cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No. 809/2004, as amended.

Any parts of the documents listed under (e) to (h) above which are not specifically referred to therein are not incorporated by reference and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise) be deemed to modify or supersede statements contained in this Base Prospectus (as previously supplemented from time to time) or in a document which is incorporated by reference in this Base Prospectus (as previously supplemented from time to time). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Base Prospectus.

The Base Prospectus and the documents incorporated by reference will be available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Copies of documents incorporated by reference in this Base Prospectus can be obtained at the registered office of the Issuer in Luxembourg at 50, avenue J.F. Kennedy, L-2951 Luxembourg.

The Issuer will provide, without charge, to each Dealer such number of copies of any or all of the documents incorporated herein by reference as such Dealer may reasonably request. In addition, such documents will be available, free of charge, at the principal office in Luxembourg of the Issuer and BNP Paribas Securities Services, Luxembourg Branch as listing agent (the "**Luxembourg Listing Agent**") for Notes listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## FORM OF THE NOTES

*The following section applies to both Exempt Notes and Non-exempt Notes.*

### **Euro and Luxembourg Notes**

Any reference in this section "**Form of the Notes**" 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 as may be approved by the Issuer and the Agent and/or specified in the applicable Final Terms.

### **Euro Notes**

The Euro Notes of each Tranche will either be Bearer Notes or Registered Notes.

#### *Euro Notes in Bearer Form*

Each Tranche of Euro Notes in bearer form will be initially issued in the form of a temporary global note (a "**Temporary Global Note**") or a permanent global note (a "**Permanent Global Note**") as indicated in the applicable Final Terms, which, in either case, will (where it is not intended to be issued in new global note ("NGN") form, as specified in the relevant Final Terms) be delivered on or prior to the issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and together with Euroclear, the "**ICSDs**") and/or a depositary for any other relevant clearing system and each Temporary Global Note or Permanent Global Note, as the case may be, which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with one of the ICSDs acting as common safekeeper for the ICSDs.

On 13 June 2006 the ECB announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form would be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 would only be eligible as collateral for Eurosystem operations if the NGN form is used.

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

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

On and after the date (the "**Exchange Date**") which, in respect of each Tranche in respect of which a Temporary Global Note is issued, is 40 days after the issue date of the relevant Notes, interests in such

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

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

A Permanent Global Note will be exchangeable (free of charge) for Definitive Notes with, where applicable, receipts, interest coupons and talons attached either (as specified in the applicable Final Terms) (i) only (a) upon the happening of any of the events defined in the Terms and Conditions as "Events of Default", (b) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system is available, or (c) the Issuer has or will become subject to adverse tax consequences to which the Issuer would not be subject were the Notes represented by the Permanent Global Note in definitive form (each such event, an "**Exchange Event**") or (ii) if the Issuer so elects, at any time. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent. The physical delivery of Definitive Notes will not be possible in Belgium.

The following legend will appear on all Permanent Global Notes and Definitive Notes and the Receipts, Coupons and Talons relating to such Notes where TEFRA D is specified in the applicable Final Terms or Pricing Supplement, as the case may be:

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

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

So long as a Bearer Global Note is held by a common depositary for or on behalf of Euroclear or Clearstream, Luxembourg, or by one of them directly, the Notes which are represented by such Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

#### *Euro Notes in Registered Form*

Each Tranche of Euro Notes in registered form will be represented by a Global Certificate which may be issued under either the classic safekeeping structure ("**CSS**") or the new safekeeping structure ("**NSS**"), in each case as specified in the relevant Final Terms. Each Tranche of Euro Notes represented by a Global

Certificate which are not intended to be issued under the NSS will be issued under the CSS, as specified in the relevant Final Terms, will be deposited on the relevant issue date with and will be registered in the name of, or in the name of a nominee for a common depositary on behalf of Euroclear and Clearstream, Luxembourg or a depositary for any other relevant clearing system as may be agreed between the Issuer and the Relevant Dealer. Each Tranche of Euro Notes represented by a Global Certificate which are intended to be issued under the NSS, as specified in the relevant Final Terms, will be deposited with and registered in the name of one of ICSDs acting as common safekeeper on or around the issue date of the relevant Tranche.

The ECB announced on 22 October 2008 that the NGN structure would be extended to securities in global registered form. This new holding structure was introduced on 30 June 2010 for international debt securities issued in global registered form and cleared through Euroclear and/or Clearstream, Luxembourg. Since 1 October, 2010, new issues of debt securities in global registered form and cleared through Euroclear and Clearstream, Luxembourg, are only eligible as collateral for Eurosystem operations if they are issued under this new structure (known as the New Safekeeping Structure or NSS).

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

Payments in respect of Registered Notes will be made by cheque or transfer to the person in whose name the relevant Note is registered at the close of business on the applicable Record Date. The "**Record Date**" shall be: (a) in the case of Registered Notes represented by a Global Certificate, the first day on which each clearing system for which the relevant Global Certificate is being held, is open for business before the due date for such payment; and (b) in the case of Registered Notes represented by Individual Certificates, (i) in relation to a payment that is a payment of principal (other than instalments of principal prior to the final instalment), 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 such payment, and (ii) in relation to a payment that is a payment of interest or a payment of an instalment of principal (other than the final instalment), the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date for such payment, in both cases, as more particularly set out under "*Terms and Conditions of the Euro Notes*" and "*Terms and Conditions of the Luxembourg Notes*". Upon payment in full of the nominal amount of all Registered Notes represented thereby each Certificate must be surrendered to the specified office of the Registrar or any Transfer Agent and, in any event, will be deemed to have been cancelled.

A Global Certificate will become exchangeable for Individual Certificates either (i) upon the happening of any of the events defined in the Terms and Conditions as "Events of Default", (ii) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and does in fact do so and no alternative clearing system is available or (iii) if the Issuer so elects (each an "**Exchange Event**"). The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than five Business Days of the delivery to the Registrar of such information as is required to complete and deliver the relevant Individual Certificates upon presentation of the Global Certificates at the office of the Registrar.

Any such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be

effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

#### *General*

##### *Direct Rights in respect of Global Notes*

In the event that (a) following an Exchange Event, a Permanent Global Note is not duly exchanged for definitive Notes by the day described above or (b) a Global Note (or any part hereof) has become due and repayable in accordance with the Conditions or the Maturity Date has occurred and, in either case, payment in full of the amount due in respect thereof has not been made to the bearer in accordance with the provisions of the Global Note, then, from 8.00 p.m. (Luxembourg time) on (in the case of (a) above) the relevant day or (in the case of (b) above) such due date, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be, shall automatically acquire, under a deed of covenant dated 20 June 2017 executed by the Issuer (the "**Deed of Covenant**"), against the Issuer all those rights which such holders would have had if, immediately before the bearer ceased to have rights under the Global Note, they held and beneficially owned duly executed and authenticated Definitive Notes (and any related receipts and coupons) in an aggregate nominal amount equal to the nominal amount of the Notes credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

##### *Direct Rights in respect of Global Certificates*

If:

- (a) Following an Exchange Event, Individual Certificates have not been issued and delivered by the day provided above; or
- (b) any of the Notes evidenced by the Global Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amounts due in respect thereof has not been made to the holder of the Global Certificate on the due date for payment in accordance with the terms of the Global Certificate,

then, at 8.00 p.m. (Luxembourg time) on such day (in the case of (a) above) or at 8.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as having interests in such Global Notes credited to their account with Euroclear and/or Clearstream, as the case may be, (each a "**Relevant Account Holder**") shall acquire the right ("**Direct Rights**") under the deed of covenant dated 20 June 2017 (the "**Deed of Covenant**") of enforcement against the Issuer, to compel the Issuer to perform its obligations to the holder of the Global Certificate in respect of the Notes represented by the Global Certificate, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes as if such Notes had been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. The Direct Rights shall be without prejudice to the rights which the holder of the Global Certificate may have under the Global Certificate or otherwise. Payment to the holder of the Global Certificate in respect of any Notes represented by the Global Certificate shall constitute a discharge of the Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment.

Upon any exercise of Direct Rights by a Relevant Account Holder, such Relevant Account Holder shall, as soon as practicable, give notice of such exercise to the Noteholders in the manner provided for in the Conditions or the Global Certificate for notices to be given by the Issuer to Noteholders.

## Luxembourg Notes

Each Tranche of Luxembourg Notes will be initially issued in the form of a temporary global note (a "**Temporary Global Note**") or a permanent global note (a "**Permanent Global Note**") as indicated in the applicable Final Terms, which, in either case, will (where it is not intended to be issued in new global note ("NGN") form, as specified in the relevant Final Terms) be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Temporary Global Note or Permanent Global Note, as the case may be, which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

The NGN form has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

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

On and after the date (the "**Exchange Date**") which, in respect of each Tranche in respect of which a Temporary Global Note is issued, is 40 days after the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same series upon presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Agent or (b) for Definitive Notes with, where applicable, receipts, interest, coupons and talons attached (as indicated in the applicable Final Terms and subject in the case of Definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certificate has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive Definitive Notes. The holder of any Temporary Global Note will not be entitled to collect any payment of interest or principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments of principal and interest (if any) or any other amount on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) to or to the order of the Agent without any requirement for certification. Unless otherwise specified in the applicable Final Terms, a Permanent Global Note will be exchangeable for Definitive Notes with, where applicable, receipts, interest coupons and talons attached only in the limited circumstances described above in relation to a Permanent Global Note representing Euro Notes. The physical delivery of Definitive Notes will not be possible in Belgium.

Under Luxembourg law, owners of interests in a Global Note governed by Luxembourg law will, subject to proof of ownership of such interest, be entitled to proceed directly against the Issuer either individually or, following the appointment of a Noteholder's representative collectively through such representative, pursuant

to articles 86 to 94-8 of the Law of the Grand Duchy of Luxembourg of 10th August 1915 on commercial companies, as amended.

The following legend will appear on all Permanent Global Notes and Definitive Notes and the Receipts, Coupons and Talons relating to such Notes where TEFRA D is specified in the applicable Final Terms or Pricing Supplement, as the case may be:

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

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



## FORM OF FINAL TERMS FOR NON-EXEMPT NOTES

*Set out below is the form of Final Terms which will be completed for each Tranche of Non-exempt Notes issued under the Programme.*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes, [from 1 January 2018], are not intended to be offered, sold or otherwise made available to and[, with effect from such date], should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[The Base Prospectus expires on 19 June 2018 and the Issuer intends that an updated base prospectus will be approved and published in accordance with the Prospectus Directive no later than such date. The updated base prospectus will be available on the Issuer's website ([www.bgl.lu](http://www.bgl.lu)) as indicated below.]**<sup>2</sup>

**FINAL TERMS** dated [●]  
**BGL BNP PARIBAS**  
*Société anonyme*  
*50, avenue J.F. Kennedy, L-2951 Luxembourg*  
*R.C.S. Luxembourg: B.6481*

**Incorporated with limited liability under the laws of the Grand Duchy of Luxembourg**  
**Registered with the Registre de Commerce et des Sociétés, Luxembourg, B6481**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of relevant Tranche of Notes]**  
**Issued pursuant to the Euro Medium Term Note Programme of**  
**BGL BNP Paribas**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 20 June 2017 [and the supplement[s] to the Base Prospectus dated [date]] [and [date]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms (in accordance with Article 26.5 of

<sup>1</sup> Legend to be included on front of the Final Terms (i) for offers concluded on or after 1 January 2018 if the Notes potentially constitute "packaged" products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable" (ii) for offers concluded before 1 January 2018 at the option of the parties.

<sup>2</sup> Include in respect of a Tranche of Notes for which the offer spans an update of the Base Prospectus

Regulation (EC) No 809/2004).] The Base Prospectus (including any supplements thereto) is available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from BGL BNP Paribas ("**BGL**") as Issuer at 50, avenue J.F. Kennedy, L-2951 Luxembourg and BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent at 60 avenue J.F. Kennedy, L-1855 Luxembourg. [As the Notes are listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange (the "**Luxembourg Regulated Market**")), this Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent at 60 avenue J.F. Kennedy, L-1855 Luxembourg.] [As the Notes are listed and admitted to trading on Euronext Brussels, which is the regulated market of Euronext Brussels the "**Belgian Regulated Market**")), this Final Terms will be published on the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)) and may also be obtained from the registered office of BNP Paribas Fortis SA/NV at Montagne du Parc 3, 1000 Brussels, Belgium.] [As the Notes are listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange), this Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent at 60 avenue J.F. Kennedy, L-1855 Luxembourg.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date. N.B. when using this approved Base Prospectus to tap a previous issue under a previously approved Base Prospectus, the final terms in this Base Prospectus may take a different form to the final terms used for the original issue being tapped. The Conditions of the original issue being tapped should be reviewed to ensure that they would not require the final terms documenting the further issue to include information which is no longer permitted in final terms. Where the final terms documenting the further issue would need to include such information, it will not be possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [24 June 2013 [and the supplement to it dated 9 October 2013]] [24 June 2014] [24 June 2015] [22 June 2016] which [are/is] incorporated by reference in the Base Prospectus dated 20 June 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 20 June 2017 [and the supplement[s] to the Base Prospectus dated [date] [and [date]]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms (in accordance with Article 26.5 of Regulation (EC) No 809/2004).] Copies of such Base Prospectuses (including any supplements thereto) are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from BGL BNP Paribas ("**BGL**") as Issuer at 50, avenue J.F. Kennedy, L-2951 Luxembourg and BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent in Luxembourg at 60 avenue J.F. Kennedy, L-1855, Luxembourg. [As the Notes are listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange (the "**Luxembourg Regulated Market**")), this Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent in 60 avenue J.F. Kennedy, L-1855, Luxembourg.] [As the Notes are listed and admitted to trading on Euronext Brussels, which is the regulated market of Euronext Brussels (the "**Belgian Regulated Market**")), this Final Terms may be obtained from the registered office of BNP Paribas Fortis SA/NV at Montagne du Parc 3, 1000 Brussels, Belgium.] [As the Notes are listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange), this Final Terms will be

published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent in 60 avenue J.F. Kennedy, L-1855, Luxembourg.]

*(The following alternative language applies in respect of issues of securities where the public offer spans an update to the Base Prospectus)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 20 June 2017 and any supplement(s) thereto approved and published on or before the date of these Final Terms (copies of which are available as described below) (the "**Original Base Prospectus**"), notwithstanding the approval of an updated base prospectus which will replace the Original Base Prospectus (the "**Updated Base Prospectus**"). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and (i) prior to the publication of the Updated Base Prospectus, must be read in conjunction with the Original Base Prospectus as so supplemented and (ii) after the publication of the Updated Base Prospectus, must be read in conjunction with the Updated Base Prospectus save in respect of the Conditions (which are extracted from the Original Base Prospectus as so supplemented and which will be incorporated by reference into the Updated Base Prospectus). The Original Base Prospectus as so supplemented constitutes, and the Updated Base Prospectus will constitute, a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of Notes described herein is only available on the basis of a combination of these Final Terms and (i) prior to the publication of the Updated Base Prospectus, the Original Base Prospectus as so supplemented and (ii) after the publication of the Updated Base Prospectus, the Updated Base Prospectus, save in respect of the Conditions (which are extracted from the Original Base Prospectus as so supplemented and which will be incorporated by reference into the Updated Base Prospectus). [A summary (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms (in accordance with Article 26.5 of Regulation (EC) No 809/2004).] Copies of the Original Base Prospectus is, and the Updated Base Prospectus will be, available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from BGL BNP Paribas ("**BGL**") as Issuer at 50, avenue J.F. Kennedy, L-2951 Luxembourg and BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent in Luxembourg at 60 avenue J.F. Kennedy, L-1855, Luxembourg. [[As the Notes are listed on the Official List and admitted to trading on the Bourse de Luxembourg, which is the regulated market of the Luxembourg Stock Exchange (the "**Luxembourg Regulated Market**")), t/T]his Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent in 60 avenue J.F. Kennedy, L-1855, Luxembourg. [[As the Notes are listed and admitted to trading on Euronext Brussels, which is the regulated market of Euronext Brussels (the "**Belgian Regulated Market**")), t/T]his Final Terms may be obtained from the registered office of BNP Paribas Fortis SA/NV at Montagne du Parc 3, 1000 Brussels, Belgium.] [As the Notes are listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange), this Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the registered office of BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent in 60 avenue J.F. Kennedy, L-1855, Luxembourg.]

*[Unless stated otherwise, include all the items listed in Part A – Contractual Terms of these Final Terms in connection with all Notes. References in the drafting notes to retail issues are to issues of Notes with a denomination of less than EUR100,000 (or the equivalent in another currency) to be admitted to trading on a regulated market and/or offered to the public and references to wholesale issues are to issues of Notes with a denomination of at least EUR100,000 (or the equivalent in another currency) to be admitted to trading on a regulated market.]*

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs (in which case the sub paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

1. Whether the Notes are Euro Notes or Luxembourg Notes: [Euro Notes/Luxembourg Notes]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 33 below, which is expected to occur on or about *[date]*][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ] [(being the equivalent of [●] Units)]
- (a) Series: [ ]
- (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount /  
[ ] per Note of Specified Denomination (*if Trading in Units is applicable*) [plus accrued interest from *[insert date]* (*if applicable*)]
6. (a) Specified Denominations: [ ]  
(N.B. Where Bearer Notes and multiple denominations above "€100,000 or its equivalent in another currency are being used, the following sample wording should be followed:  
  
*"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."*)
- (b) Calculation Amount [ ] (*The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (a) if there is only one Specified*

*Denomination, the Specified Denomination of the relevant Notes or (b) if there are several Specified Denominations, the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).)*

(c) [Trading in Units:

[Applicable/Not Applicable]

*(If Trading in Units is specified as being Applicable then the Notes will be tradeable (only whilst such Notes are in global form and interests therein are reflected in the records of the relevant clearing systems) by reference to the number of Notes being traded (each having the Specified Denomination) as opposed to the aggregate nominal amount of Notes being traded. Trading in Units may only be specified as being Applicable if the Notes have a single Specified Denomination.))*

7. (a) Issue Date:

[ ]

(b) Interest Commencement Date (if different from the Issue Date):

[specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

8. Maturity Date:

[specify date][Interest Payment Date falling in month or nearest to [specify]][Subject to adjustment in accordance with the [Floating Rate Convention][Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention]

*[(NB: The Maturity Date may need to be not less than one year after the Issue Date)]*

9. Interest Basis:

[Not Applicable]

[[ ]% Fixed Rate]  
[[EURIBOR/LIBOR] [+/- [insert margin] per cent.]  
Floating Rate]  
[Zero Coupon]  
[Inflation Index-Linked Interest]  
[Foreign Exchange (FX) Rate-Linked Interest]  
[Underlying Interest Rate-Linked Interest]  
[Equity Index-Linked Interest]  
[Non-Interest Bearing]  
(further particulars specified below)

10. Redemption/Payment Basis:

[[100] [●] per cent.] of its nominal amount]  
[Inflation Index-Linked Redemption]  
[Foreign Exchange (FX) Rate-Linked Redemption]  
[Equity Index-Linked Redemption]  
[Instalment Note]

[(further particulars specified below)]

*(N.B. If the Final Redemption Amount is not par or 100 per cent. of the nominal value the Notes may be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

11. Change of Interest Basis: [The Interest Basis will change from [[ ]% Fixed Rate]/[[EURIBOR/LIBOR] +/- *[insert margin]* per cent.] Floating Rate]/[Zero Coupon]/[Inflation Index-Linked Interest]/[Foreign Exchange (FX) Rate-Linked Interest]/[Underlying Interest Rate-Linked Interest]/[Equity Index-Linked Interest]/[Non-Interest Bearing] to [[ ]% Fixed Rate]/[[EURIBOR/LIBOR] +/- *[insert margin]* per cent.] Floating Rate]/[Zero Coupon]/[Inflation Index-Linked Interest]/[Foreign Exchange (FX) Rate-Linked Interest]/[Underlying Interest Rate-Linked Interest]/[Equity Index-Linked Interest]/[Non-Interest Bearing] on *[insert date.]*] [Not Applicable]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]  
[Not Applicable]
13. Calculation Agent responsible for calculating interest and/or redemption amounts due: [Applicable/Not Applicable]  
*[If applicable, insert name and address]*
14. Knock-in Event<sup>3</sup>: [Applicable/Not Applicable]  
  
*[If applicable: [Foreign Exchange (FX) Rate-Linked Note Conditions 4 and 7 shall apply.][Underlying Interest Rate-Linked Note Condition 6 shall apply.][Equity Index-Linked Note Condition 5 shall apply]]*  
  
*[If applicable:  
["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) SPS Knock-in Valuation: [Applicable/Not Applicable]
- (b) Knock-in Level/Knock-in Range Level: *[specify]* [[From and including/From but excluding]*[specify]*][to and including/to but excluding]*[specify]*]/[FX Knock-in Level:

<sup>3</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes and Equity Index-Linked Notes.

[Knock-in Average Value  
 Knock-in Averaging Dates: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]

[Single Resettable Knock-in  
 Knock-in Observation Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]

Resettable Adjustment: [+/-][●]

[Multiple Resettable Knock-in  
 Resettable Knock-in Period: [●]  
 Knock-in Observation Date(s): [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]  
 Resettable Adjustment: [+/-][●]][Not Applicable]

- (c) Knock-in Period Beginning Date: [specify][Not Applicable]
- (d) Knock-in Period Beginning Date Convention: [Applicable/Not Applicable]
- (e) Knock-in Determination Period: [specify]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6]] [Equity Index-Linked Note Condition 5 shall apply][Not Applicable]
- (f) Knock-in Determination Day(s): [specify]/[Each [Scheduled Trading Day/Business Day] in the Knock-in Determination Period]
- (g) Knock-in Period Ending Date: [specify] [Not Applicable]
- (h) Knock-in Period Ending Date Convention: [Applicable/Not Applicable]
- (i) Knock-in Valuation Time: [specify]/See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6][Equity Index-Linked Note Condition 5]]/[Valuation Time]/[Any time on a Knock-in Determination Day]/Not Applicable]
- (j) Disruption Consequences: [Applicable/Not Applicable]

15. Knock-out Event<sup>4</sup>: [Applicable/Not Applicable]
- [If applicable: [Foreign Exchange (FX) Rate-Linked Note Conditions 4 and 7 shall apply.][Underlying Interest Rate-Linked Note Condition 6 shall apply.][Equity Index-Linked Note Condition 5 shall apply]]
- [If applicable:  
["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Knock-out Level /Knock-out Range Level: [specify][[From and including/From but excluding][specify][to and including/to but excluding][specify]]/[FX Knock-out Level:
- [Knock-out Average Value  
Knock-out Averaging Dates: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]
- [Single Resettable Knock-out  
Knock-out Observation Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]  
Resettable Adjustment: [+/-][●]]
- [Multiple Resettable Knock-out  
Resettable Knock-out Period: [●]  
Knock-out Observation Date(s): [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]  
Resettable Adjustment: [+/-][●]]]
- (b) Knock-out Period Beginning Date: [specify] [Not Applicable]
- (c) Knock-out Period Beginning Date Convention: [Applicable/Not Applicable]

<sup>4</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes and Equity Index-Linked Notes.



- (d) Knock-out Determination Period: *[specify]*/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6 [Equity Index-Linked Note Condition 5]]][Not Applicable]
- (e) Knock-out Determination Day(s): *[specify]*/[Each [Scheduled Trading Day/Business Day] in the Knock-out Determination Period]
- (f) Knock-out Period Ending Date: *[specify]*
- (g) Knock-out Period Ending Date Convention: [Not Applicable/Applicable]
- (h) Knock-out Valuation Time: *[specify]*/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6]] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not Applicable]
- (i) Disruption Consequences: [Applicable/Not Applicable]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **General Interest Provisions** [Not Applicable]
- (a) *[[Specified]<sup>5</sup> Interest Payment Date(s)]* [*Specified Period*<sup>5</sup>]: [●] [in each year] [adjusted in accordance with the Business Day Convention set out in (d) below] [for the purpose of payment only<sup>6</sup>] *or* [Not subject to adjustment as the Business Day Convention in (d) below is specified to be Not Applicable]
- (If applicable, identify any Additional Business Centre(s) for the purpose of payment)*
- (b) Day Count Fraction: [[Actual/Actual (ICMA)]/[Actual/Actual]/[Actual/365(Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (d) Party responsible for [●]

<sup>5</sup> Relevant for Floating Rate Notes only.

<sup>6</sup> Insert "for the purpose of payment only" if the accrual periods are not subject to adjustment in the same manner as the payment dates.

calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):

- (e) Minimum Interest Rate: [[●] per cent. per annum]/[Not Applicable]]
- (f) Maximum Interest Rate: [[●] per cent. per annum]/[Not Applicable]]
- (g) Accrual to Redemption: [Applicable]/[Not Applicable]
- (h) Additional Business Centre(s) [*insert*] [Not Applicable]
- (i) Rate of Interest: [If applicable: Payout Conditions [[1.1, 1.2, 1.6][2.1, 2.4, 2.5, 2.6, 2.8], 3 and 4] apply.]

[Fixed Rate]

[Floating Rate]

[[Inflation Index/Foreign Exchange (FX) Rate/Underlying Interest Rate/Equity Index]-Linked Interest]

[Fixed Income Interest Rates:

**[FI Digital Coupon applicable (see Payout Condition 1.1(a)):**

FI Upper Barrier Level: [[*specify*] per cent.] / [*insert level*] [*specify for each Underlying Reference*]

[FI Lower Barrier Level: [[*specify*] per cent.] / [*insert level*] [*specify for each Underlying Reference*]

FI Digital Coupon Condition: [greater than / less than / equal to or greater than / less than or equal to] [*specify for each Underlying Reference*] the FI Upper Barrier Level [[and/or] [greater than / less than / equal to or greater than / less than or equal to] [*specify for each Underlying Reference*] the FI Lower Barrier Level]

[Underlying Reference 2: [Applicable/Not Applicable]]

Gearing A: [●] per cent.

Global Cap A: [●] per cent.

Global Floor A: [●] per cent.

Constant A: [●] per cent.

Gearing B: [●] per cent.

Global Cap B: [●] per cent.

Global Floor B: [●] per cent.

Constant B: [●] per cent.

FI Rate A: [Rate/Inflation Rate]

FI Rate B: [Rate/Inflation Rate] *[FI Rate A and FI Rate B should either both specify Rate or both specify Inflation Rate]*

[Inflation Rate: [YoY Inflation Rate / Cumulative Inflation Rate]

[Strike Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] *(N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)*]]

FI Interest Valuation Date(s): *[specify]*]

**[Range Accrual Coupon applicable (see Payout Condition 1.1(b)):**

Gearing: [●] per cent.

Global Margin: [●] per cent.

Global Cap: [●] per cent.

Global Floor: [●] per cent.

Local Cap: [●] per cent.

Local Floor: [●] per cent.

FI Rate: [Rate/Inflation Rate]

[Inflation Rate: [YoY Inflation Rate/Cumulative Inflation Rate]

Strike Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] *(N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)*]]

[Range Accrual Coupon Barrier Level Up: *[specify]* per cent. *[specify for each Underlying Reference]*

Range Accrual Coupon Barrier Level Down: *[specify]* per

cent. [*specify for each Underlying Reference*]

Range Accrual Coupon Condition: [greater than / less than / equal to or greater than / less than or equal to] [*specify for each Underlying Reference*] the Range Accrual Coupon Barrier Level Down [[and/or] [greater than / less than / equal to or greater than / less than or equal to] [*specify for each Underlying Reference*] the Range Accrual Coupon Barrier Level Up]

[Underlying Reference 2: [Applicable/Not Applicable]]

Range Period: [*specify*]

Range Accrual Day: [Scheduled Trading Day/Business Day/Underlying Interest Determination Day/calendar day]

Deemed Range Accrual: [Applicable/Not Applicable]

[Range Cut-off Date: [*specify*]]

Range Period End Date: [●]

FI Interest Valuation Date(s): [●]

**[Combination Floater Coupon applicable (see Payout Condition 1.1(c)):**

Global Cap: [●] per cent.

Global Floor: [●] per cent.

Global Margin: [*specify*] per cent. per annum.

Local Cap: [●] per cent.

Local Floor: [●] per cent.

Gearing: [*specify*] per cent. for Rate<sub>(i)</sub>  
(repeat for each Rate)

FI Rate: [Rate/Inflation Rate]

[Inflation Rate: [YoY Inflation Rate  
Cumulative Inflation Rate]]

Strike Date: [●]

FI Interest Valuation Date(s): [●]

**[PRDC Coupon applicable (see Payout Condition 1.1(d)):**

Coupon Percentage 1: [●] per cent.

Coupon Percentage 2: [●] per cent.

Cap: [●] per cent.

Floor: [●] per cent.

[FI Interest Valuation [specify]]  
Date(s):

[Averaging: [Applicable/Not Applicable]

[Averaging Dates: [specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]

Initial Settlement Price: [[●]/

[Initial Closing Value: [Applicable/Not Applicable]

Strike Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]

[Initial Average Value: [Applicable/Not Applicable]

Strike Days: [●]

[Averaging Date Consequences: [Applicable/Not Applicable]

Strike Period: [●]]]

**[FI Digital Floor Coupon applicable (see Payout Condition 1.1(e)):**

Digital Floor Percentage 1: [●] per cent.

Digital Floor Percentage [●] per cent.  
2:

FI Digital Value: [Performance Value/Worst Value/Best Value/Multi-Basket Value/Weighted Average FI Basket Value]

Performance Value: Performance Value  
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [*specify percentage per Underlying Reference*]]

FI Digital Floor Level: [[●]/

[FX Digital Level:

[FX Digital  
Average Value:

FX Averaging [specify] [Currency  
Dates: Convention: [As per Foreign  
Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]/

[Single Resettable  
Level:

FX Digital [specify] [Currency  
Observation Convention: [As per Foreign  
Date(s): Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]

Resettable [ +/- ][●]]  
Adjustment:

[Multiple  
Resettable Level:

Resettable Period:	[specify]
FX Digital Observation Date(s):	[specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]
Resettable Adjustment:	[+/-] [●]
FI Interest Valuation Date(s):	[specify]
[Averaging:	[Applicable/Not Applicable]
[Averaging Dates:	[specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]
Initial Settlement Price:	[[●]/
[Initial Closing Value:	[Applicable/Not Applicable]
Strike Date:	[●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]/
[Initial Average Value:	[Applicable/Not Applicable]
Strike Days:	[●]
[Averaging Date	[Applicable/Not Applicable]

Consequences:

Strike Period: [●]]

**[FI Digital Cap Coupon applicable (see Payout Condition 1.1(f)):**

Digital Cap Percentage [●] per cent.  
1:

Digital Cap Percentage [●] per cent.  
2:

FI Digital Value: [Performance Value/Worst Value/Best Value/Multi-Basket Value/Weighted Average FI Basket Value]

Performance Value: Performance Value  
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [specify percentage per Underlying Reference]]

FI Digital Cap Level: [[●]/

[FX Digital Level:

[FX Digital  
Average Value:

FX Averaging [specify] [Currency  
Dates: Convention: [As per Foreign  
Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes)]]/

[Single Resettable  
Level:

FX Digital [specify] [Currency  
Observation Convention: [As per Foreign  
Date(s): Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (N.B.  
only applicable to Foreign



Resettable Adjustment:	[+/-] [●]
[Multiple Resettable Level:	
Resettable Period:	[specify]
FX Digital Observation Date(s):	[specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] ( <i>N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes</i> )]
Resettable Adjustment:	[+/-] [●]
FI Interest Valuation Date(s):	[specify]
[Averaging:	[Applicable/Not Applicable]
[Averaging Dates:	[specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] ( <i>N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes</i> )]
Initial Settlement Price:	[[●]/
[Initial Closing Value:	[Applicable/Not Applicable]
Strike Date:	[●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] ( <i>N.B. only applicable to Foreign Exchange (FX) Rate-Linked</i>

*Interest Notes)]] ]/*

[Initial Average Value: [Applicable/Not Applicable]

Strike Days: [●]

[Averaging Date  
Consequences: [Applicable/Not Applicable]

Strike Period: [●]]]

**[FI Target Coupon applicable (see Payout Condition 1.1(g))**

Target Coupon [●] per cent.  
Percentage:

Target Determination [specify]  
Date:

**[FI FX Vanilla coupon applicable (see Payout Condition 1.1(h)):**

Gearing: [●] per cent.

Cap: [●] per cent.

Floor: [●] per cent.

Performance Value: Performance Value  
[1/2/3/4/5/6/7/8/9/10]

FI Interest Valuation [specify]  
Dates:

Averaging: [Applicable/Not Applicable]

Averaging Dates: [specify] [Currency  
Convention: [As per Foreign  
Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes)]

Initial Settlement Price: [[●]/

[Initial Closing Value: [Applicable/Not Applicable]

Strike Date: [●] [Currency Convention:  
[As per Foreign Exchange  
(FX) Rate-Linked Note

Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]

[Initial Average Value: [Applicable/Not Applicable]

Strike Days: [●]

[Averaging Date [Applicable/Not Applicable]  
Consequences:

Strike Period: [●]]

**[FI Digital Plus Coupon applicable (see Payout  
Condition 1.1(i)):**

Digital Plus Percentage [●] per cent.  
1:

Digital Plus Percentage [●] per cent.  
2:

Gearing: [●] per cent.

FI Digital Value: [Performance Value/Worst  
Value/Best Value/Multi-  
Basket Value/Weighted  
Average FI Basket Value]

Performance Value: Performance Value  
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [*specify percentage per  
Underlying Reference*]]

FI Digital Plus Level: [[●]/

[FX Digital Level:

[FX Digital [Applicable/Not Applicable]  
Average Value:

FX Averaging [specify] [Currency  
Dates: Convention: [As per Foreign  
Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign*

*Exchange (FX) Rate-Linked Interest Notes)]]/*

[Single Resettable [Applicable/Not Applicable]  
Level:

FX Digital [specify] [Currency  
Observation Convention: [As per Foreign  
Date(s): Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes)]

Resettable [ +/-][●]  
Adjustment:

[Multiple [Applicable/Not Applicable]  
Resettable Level:

Resettable [specify]  
Period:

FX Digital [specify] [Currency  
Observation Convention: [As per Foreign  
Date(s): Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes)]

Resettable [ +/-] [●]  
Adjustment:

FI Interest Valuation [specify]  
Date(s):

[Averaging: [Applicable/Not Applicable]

Averaging Dates: [specify] [Currency  
Convention: [As per Foreign  
Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes)]]

Initial Settlement Price: ☐/

[Initial Closing Value: ☐Applicable/Not Applicable]

Strike Date: ☐ [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]/

[Initial Average Value: ☐Applicable/Not Applicable]

Strike Days: ☐

[Averaging Date Consequences: ☐Applicable/Not Applicable]

Strike Period: ☐]]

[Rate:

[Fixed Rate]

[Floating Rate]]

**[SPS Variable Amount Coupon applicable (see Payout Condition 2.1(a)):**

Rate<sub>(i)</sub>: ☐[Vanilla Call Rate][Vanilla Call Spread Rate]

Coupon Value<sub>(i)</sub>: *[specify in each case in respect of (i) of this section where different]*

Maximum Value: ☐[Not Applicable]

Minimum Value: ☐[Not Applicable]

Spread<sub>(i)</sub>: ☐ per cent.

Constant Percentage<sub>(i)</sub>: ☐ per cent.

Gearing<sub>(i)</sub>: ☐ per cent.

[Floor Percentage<sub>(i)</sub>: ☐ per cent.]

[Cap Percentage<sub>(i)</sub>: ☐ per cent.]

SPS Coupon Valuation ☐[specify]

Date:

[Averaging:

Averaging Dates: [specify]

Averaging Date [Omission/ Postponement/  
Consequences; Modified Postponement]

Underlying Reference [specify][Strike Price Closing  
Strike Price: Value]

[Strike Date: [specify][Not Applicable]]

**17. Fixed Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(If more than one fixed rate is to be determined, repeat items (a) to (c) for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B)*

(a) Rate(s) of Interest: [ ] per cent.

[per annum/per Specified Denomination]

[payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]

(b) Fixed Coupon Amount(s): [ ] per Calculation Amount

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

**18. Floating Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate for Notes denominated in euro)*

*(If more than one floating rate is to be determined, repeat items (a) to (e) for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B)*

(a) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]

(b) Screen Rate Determination: [Applicable/Not Applicable]

*(If not applicable delete the remaining sub-paragraphs of this paragraph)*

• Reference Rate: [ ] month [LIBOR/EURIBOR]

• Interest Determination Date(s): [ ]

*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR)/ first day of each Interest Period if Sterling LIBOR/and the second TARGET Settlement Day prior to the start of each Interest Period if EURIBOR or euro LIBOR)*

*(Indicate Interest Determination Date and specify if the calculation is to be made at the beginning/end of the period.)*

• Relevant Screen Page: [ ]

*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

• Specified Time 11.00 am [London/Brussels] time

*(Insert London for LIBOR or Brussels for EURIBOR)*

(c) ISDA Determination: [Applicable/Not Applicable] – *(If not applicable delete the remaining sub-paragraphs of this paragraph)*

• Floating Rate Option: [ ]

• Designated Maturity: [ ]

• Reset Date: [ ]

*(in the case of LIBOR or EURIBOR based option, the first day of the Interest Period)*

(d) Margin(s): [[+/-] [ ] per cent. [per annum] /Not Applicable]

19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Accrual Yield: [ ] per cent. per annum

(b) Reference Price: [ ]

(c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Condition [7.6 (Euro Notes)] applies [6.6 (Luxembourg Notes)] applies]

[30/360]  
[Actual/360]  
[Actual/365]

(Consider applicable day count fraction if not U.S. dollar denominated)

20. **Inflation Index-Linked Interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (If more than one Inflation Rate is to be determined, repeat items (a) to (j) for each such Inflation Rate and, if FI Digital Coupon is applicable, distinguish between the Inflation Rate which is FI Rate A and the Inflation Rate which is FI Rate B and the Inflation Index which is Underlying Reference 1 and the Inflation Index which is Underlying Reference 2).*
- [The Inflation Index-Linked Note Conditions at Schedule 2 to of the Conditions apply.]
- (a) Index: [●]  
[Composite/Non-composite]
- (b) Screen Page/Exchange Code: [●]
- (c) Cut-Off Date: [●] / [Not Applicable]
- (d) Related Bond: [●] / [Fallback Bond]
- (e) Issuer of Related Bond: [●] / [Not Applicable]
- (f) Fallback Bond: [Applicable] / [Not Applicable]
- (g) Index Sponsor: [●]
- (h) Related Bond Redemption Event: [Applicable] / [Not Applicable]
- (i) Determination Date: [●]
- (j) Optional Additional Disruption Events: [The following Optional Additional Disruption Events apply to the Notes:]  
[Increased Cost of Hedging]
- Trade Date: [●]
21. **Foreign Exchange (FX) Rate-Linked Interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [The Foreign Exchange (FX) Rate-Linked Note Conditions at Schedule 3 to the Conditions apply.]
- (a) The relevant base currency (the "Base Currency") is: [specify]
- (b) The relevant subject [currency/currencies/ (each [specify]



a)/[the] "Subject Currency")  
[is/are]:

- (c) Weighting: [specify]
- (d) Price Source: [specify]
- (e) Disruption Event: Specified Maximum Days of Disruption will be equal to [●]/[five]

*(If no specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five)*

- (f) Delayed Redemption on Occurrence of a Disruption Event: [Applicable] / [Not Applicable]

*[if applicable:*

Principal Protection Termination Amount: [Applicable] / [Not Applicable]]

- (g) Relevant Screen Page: [specify]

- (h) Interest Valuation Time: [specify]

- (i) Interest Valuation Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]]

- (j) Averaging Date(s): [●] [Not Applicable] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]]

- (k) Strike Date: [●] [Not Applicable] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]]

- (l) Optional Additional Disruption Events: [(The following Optional Additional Disruption Events apply to the Notes:]

[Increased Cost of Hedging]

- (m) Trade Date: [●]

22. **Underlying Interest Rate-Linked Interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(If more than one Underlying Interest Rate is to be determined, repeat items (a) to (g) below for each such Underlying Interest Rate and, if FI Digital Coupon is applicable, distinguish between the Underlying Interest Rate which is FI Rate A and the Underlying Interest Rate*

*which is FI Rate B and the Underlying Interest Rate which is Underlying Reference 1 and the Underlying Interest Rate which is Underlying Reference 2)*

[The Underlying Interest Rate-Linked Note Conditions at Schedule 4 to the Conditions apply.]

- (a) Underlying Interest Determination Date(s): *[specify]*  
*(If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate1:")*
- (b) Manner in which the Underlying Interest Rate is to be determined: [Screen Rate Determination/ISDA Determination]
- (c) Screen Rate Determination: [Applicable]/[Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Underlying Reference Rate: *[specify]*  
*[Either LIBOR, EURIBOR or other]*
  - Specified Time (Underlying): *[specify]*  
*(which will be 11:00am, London time, in the case of LIBOR, or 11:00am, Brussels time, in the case of EURIBOR)*
  - Relevant Screen Page: *[specify]*  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (d) ISDA Determination: [Applicable]/[Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Floating Rate Option: *[specify]*
  - Designated Maturity: *[specify]*
  - Reset Date: *[specify]*
- (e) Underlying Margin(s): [[+/-[●]] per cent. per annum][Not Applicable]
- (f) Minimum Underlying Reference Rate: [[●] per cent. per annum] [Not Applicable]
- (g) Maximum Underlying: [[●] per cent. per annum] [Not Applicable]

Reference Rate:

*(If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate2:" and repeat items (b) to (g)). Repeat for each Underlying Interest Rate.)*

23. **Equity Index-Linked Interest Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Equity Index: [●]

[The [●] Index is a [Composite] Index.]

(b) Index Currency: [specify]

(c) Screen Page: [●]

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

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] [the provisions of Schedule 5] will apply.

[Modified Postponement]

*(Only applicable if Modified Postponement is applicable as an Averaging election)*

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

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

(e) Interest Valuation Date(s): [specify]

(f) Observation Date(s): [[●]/Not Applicable].]

[In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] [the provisions of Schedule 5] will apply.]

(g) Observation Period [specify/Not Applicable]]

(h) Specified Maximum Days of Disruption: [As per Equity Index Linked Note Condition 7]/[specify] Scheduled Trading Days]

(i) Exchange Business Day: Single Index Basis

(j) Scheduled Trading Day: Single Index Basis

- (k) Exchange(s) and Index Sponsor: (i) the relevant Exchange[s] [is/are] [●]; and
- (ii) the relevant Index Sponsor is [●].
- (l) Related Exchange: [specify/[All Exchanges]]
- (m) Interest Valuation Time: [Scheduled Closing Time/Any time [on the relevant Settlement Price Date/during the Observation Period.] [[●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (N.B. if no time is specified, the Interest Valuation Time will be the Scheduled Closing Time)
- (n) Index Correction Period: [As per Equity Index Linked Note Condition 7/specify]
- (o) Optional Additional Disruption Events:
- (i) [(The following Optional Additional Disruption Events apply:]
- (Specify each of the following which applies)
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Loss of Stock Borrow]
- Trade Date: [●]
- (ii) [[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is [●].]
- (N.B. only applicable if Loss of Stock Borrower is applicable)]
- (iii) [(The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [●].]
- (N.B. only applicable if Increased Cost of Stock Borrow is applicable)]
- (iv) Delayed Redemption on the Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event: [Applicable /Not Applicable]
- [if applicable:
- Principal Protected Termination Amount: [Applicable/Not Applicable]]
- (p) Market Disruption: Specified Maximum Days of Disruption will be equal to

[●]/[eight]:

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

- (q) Delayed Redemption on the Occurrence of Index Adjustment Event: [Applicable/Not Applicable]  
[if applicable:

Principal Protected Termination Amount:  
[Applicable/Not Applicable]]

## PROVISIONS RELATING TO REDEMPTION

24. Notice periods for Condition 7.2  
(Applicable for Euro Notes) Condition  
6.2 (Applicable for Luxembourg Notes)  
(Redemption for Tax Reasons):

- (a) Maximum period: [[●] days/Not Applicable]

- (b) Minimum period: [●] days

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

25. **Issuer Call** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Optional Redemption Date(s): [ ]

*[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*

- (b) Optional Redemption Amount(s): [ ] per Calculation Amount

- (c) If redeemable in part: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Minimum Early Redemption Amount: [ ] per Calculation Amount

- (ii) Maximum Early [ ] per Calculation Amount

Redemption Amount:

- (d) Notice period (if other than as set out in the Conditions):

(i) Maximum period: [●] days

(ii) Minimum period: [●] days

*[N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Agent]*

26. **Investor Put**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Optional Redemption Date(s): [ ]

*[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*

- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Calculation Amount

- (c) Notice period (if other than as set out in the Conditions):

(i) Maximum period: [●] days

(ii) Minimum period: [●] days

*[N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Agent]*

27. **Final Redemption Amount**

[Calculation Amount x Final Redemption Percentage]  
[Final Payout] per Calculation Amount

*(N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value the Notes may be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus*

*Directive Regulation will apply. Where the Final Redemption Amount is linked to the exercise price or the final reference price of an underlying, give details of the exercise price or final reference price.)*

[Final Redemption Percentage: [●] per cent.]

[Final Payout:] [Not Applicable]

*[If applicable: Payout Conditions [[1.3, 1.6][2.2, 2.5, 2.6, 2.8], 3 and 4] apply.]*

**[FI FX Vanilla Notes (see Payout Condition 1.3(i)):**

Gearing: [●] per cent.

Cap: [●] per cent.

Floor: [●] per cent.

Performance Value: Performance Value  
[1/2/3/4/5/6/7/8/9/10]

FI Redemption [specify]  
Valuation Dates:

Averaging: [Applicable/Not Applicable]

Averaging Dates: [specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]

Initial Settlement Price: [[●]/

[Initial Closing Value: [Applicable/Not Applicable]

Strike Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]/

[Initial Average Value: [Applicable/Not Applicable]

Strike Days: [●]

[Averaging Date [Applicable/Not Applicable]  
Consequences:

Strike Period: [●]

FI Constant [●] per cent.]  
Percentage 1

**[FI Inflation Notes (see Payout Condition 1.3(ii):**

FI Redemption [●]  
Valuation Date(s):

Strike Date: [●]

**[Vanilla Call Notes (see Payout Condition 2.2(a)(i):**

Gearing<sub>(i)</sub>: [●] per cent. (*specify in each case in respect of (i) in this section where different*)

Floor Percentage<sub>(i)</sub>: [●] per cent.

Final Redemption [Specify]  
Value:

Strike Percentage<sub>(i)</sub>: [●] per cent.

Constant Percentage 1: [●] per cent.

SPS Redemption [●]  
Valuation Date(s):

SPS Redemption [●]  
Valuation Period:

Underlying Reference [specify][Strike Price Closing  
Strike Price: Value]

Strike Date: [specify][Not Applicable]

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]

**[Certi plus: Generic Knock-in Notes (see Payout Condition 2.2(b)(i):**

Gearing Up: [●] per cent.

Option Up: [Up Call][Up Put]

Up Final [Specify]



Redemption Value:	
Up Strike Percentage:	[●] per cent.
Up Floor Percentage:	[●] per cent.
Constant Percentage 1:	[●] per cent.
Gearing Down:	[●] per cent.
Option Down:	[Down Call][Down Put]
Down Final Redemption Value:	[Specify]
Down Strike Percentage:	[●] per cent.
Down Floor Percentage:	[●] per cent.
Constant Percentage 2:	[●] per cent.
Floor Percentage:	[●] per cent.
Final Redemption Value:	[specify]
Strike Percentage:	[●] per cent.
SPS Redemption Valuation Date(s):	[●]
SPS Redemption Valuation Period:	[●]
Underlying Reference Strike Price:	[specify][Strike Price Closing Value]
Strike Date:	[specify][Not Applicable]
Maximum Value:	[●][Not Applicable]
Minimum Value:	[●][Not Applicable]
<b>[SPS Securizer Notes (see Payout Condition 2.2(c)(i)):</b>	
SPS Lock-in Condition:	["greater than"/"greater than or equal to"/"less than"/"less than or equal to"]
SPS Lock-in Level:	[●]
SPS Lower Lock-in	[●][Not Applicable]

Level:

SPS Lock-in Value: [Underlying Closing Price / Underlying Intraday Price] Reference Value / Reference Value]

Final Redemption Value: [Specify]

Constant Percentage 1 [●] per cent.

Constant Percentage 2 [●] per cent.

SPS Lock-in Valuation Date(s): [●]

SPS Lock-in Valuation Period: [●][Not Applicable]

SPS Redemption Valuation Date(s): [●]

Underlying Reference Strike Price: [Specify][Strike Price Closing Value]

[Strike Date: [Specify][Not Applicable]]

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]

**[SPS Capped Twin Win Notes (see Payout Condition 2.2(c)(ii)):**

SPS Twin Win Upper Barrier Level: [●]

SPS Twin Win Lower Barrier Level: [●]

SPS Twin Win Value: [Specify]

Final Redemption Value: [Specify]

Strike Percentage(i): [●] per cent.

Constant Percentage 1: [●] per cent.

Constant Percentage 2: [●] per cent.

SPS Redemption Valuation Date(s): [●]

Underlying Reference [specify][Strike Price Closing

Strike Price: Value]

Strike Date: [specify][Not Applicable]

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]

**[SPS Athena Notes (see Payout Condition 2.2(c)(iii)):**

SPS Athena Barrier [●]  
Level:

SPS Athena Barrier [Specify]  
Value:

Final Redemption [Specify]  
Value:

Constant Percentage 1: [●] per cent.

Constant Percentage 2: [●] per cent.

SPS Redemption [●]  
Valuation Date(s):

Underlying Reference [specify][Strike Price Closing  
Strike Price: Value]

Strike Date: [specify][Not Applicable]

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]

28. **Automatic Early Redemption<sup>7</sup>:** [Applicable/Not Applicable]

*[Insert if applicable: [Foreign Exchange (FX) Rate-Linked Note Condition 5 applies.][Underlying Interest Rate-Linked Note Condition 7 applies.][Equity Index-Linked Note Condition 6 applies.]*

(a) Automatic Early Redemption Event: [As per Foreign Exchange (FX) Rate-Linked Note Condition 5] [Target Automatic Early Redemption] [FI Underlying Automatic Early Redemption] [FI Coupon Automatic Early Redemption] [Standard Automatic Early Redemption: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [SPS AER Valuation - [Applicable] [Not Applicable]: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"]

<sup>7</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes and Equity Index-Linked Notes.

- (b) Automatic Early Redemption Valuation Time: *[specify]*
- (c) Automatic Early Redemption Payout: [Target Automatic Early Redemption (see Payout Condition 1.4(a)):
- Final Interest Rate: [Capped and Guaranteed Applicable][Capped and Guaranteed Not Applicable][Capped Only][Guaranteed Only]]
- [[FI Underlying Automatic Early Redemption (see Payout Condition 1.4(b)):
- Accrual to Automatic Early Redemption: [Applicable/Not Applicable]]
- [FI Coupon Automatic Early Redemption (see Payout Condition 1.4(c):
- Coupon Cap: [●] per cent.]
- [SPS Automatic Early Redemption Payout (see Payout Condition 2.3:
- AER Rate: [●] (*specify in respect of an Automatic Early Redemption Date/Period where different rates apply*)]
- [Not Applicable: Equity Index-Linked Note Condition 6 applies]
- (d) Automatic Early Redemption Date(s): *[specify]*
- (e) Automatic Early Redemption Level: [Not Applicable]*[specify]*
- [specify] (in respect of each Automatic Early Redemption Valuation Date where different levels apply)*
- (f) [Automatic Early Redemption Percentage/AER Redemption Percentage]: [[●] per cent.][Not Applicable]
- (g) Automatic Early Redemption Percentage Up: [[●] per cent.][Not Applicable]
- (h) Automatic Early Redemption Percentage Down: [[●] per cent.][Not Applicable]
- (i) Automatic Early Redemption Valuation [Date(s)/Period]: *[specify]*
- [AER 1 Redemption Valuation [Date(s)/Period]:
- [specify]*
- [AER 2 Redemption Valuation [Date(s)/Period]:

[specify]]

*(For Fixed Income payouts, consider whether this is the interest determination date (i.e. 2 business days prior to the Automatic Early Redemption Date)*

- (j) Elections in respect of SPS AER Valuation: [Not Applicable]/[Applicable:
- Automatic Early Redemption Event 1 [only] [and/or]  
[Automatic Early Redemption Event 2]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- AER Event 1 Underlying(s): [Specify]/[Not Applicable]
  - AER Event 1 Basket: [Applicable]/[Not Applicable]
  - Automatic Early Redemption Level 1: [Specify]  
*(Specify in respect of each Automatic Early Redemption Valuation Date where different levels apply)*
  - AER Event 2 Underlying(s): [Specify]/[Not Applicable]
  - AER Event 2 Basket: [Applicable]/[Not Applicable]

29. **Inflation Index-Linked Redemption Notes:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[The Inflation Index-Linked Note Conditions at Schedule 2 to of the Conditions apply.]

- (a) Index/Indices: [●]  
[Composite/Non-composite]
- (b) Cut-Off Date: [●] / [Not Applicable]
- (c) Related Bond: [Applicable/Not Applicable] *[if applicable, specify: [●] / [Fallback Bond]]*
- (d) Issuer of Related Bond: [●] / [Not Applicable]
- (e) Fallback Bond: [Applicable] / [Not Applicable]
- (f) Index Sponsor: [●]
- (g) Related Bond Redemption Event: [Applicable] / [Not Applicable]

- (h) Determination Date: [●]
- (i) Optional Additional Disruption Events: [(The following Optional Additional Disruptions Events apply to the Notes:)]  
[Increased Cost of Hedging]
- (j) Trade Date: [●]

30. **Foreign Exchange (FX) Rate-Linked Redemption Notes:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub paragraphs of this paragraph)*

[The Foreign Exchange (FX) Rate-Linked Note Conditions at Schedule 3 to the Conditions apply.]

- (a) Relevant Screen Page: [specify]
- (b) The relevant base currency (the "**Base Currency**") is: [specify]
- (c) The relevant subject [currency/currencies] ([each a]/[the] "**Subject Currency**") [is/are]: [specify]
- (d) Weighting: [specify]
- (e) Price Source: [specify]
- (f) Disruption Event: Specified Maximum Days of Disruption will be equal to [●]/[five]  
*(If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to five)*
- (g) Valuation Time: [specify]
- (h) Redemption Valuation Date: [specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]]
- (i) Delayed Redemption on the Occurrence of an Additional Disruption Event: [Applicable/Not Applicable]  
[if applicable:  
Principal Protection Termination Amount:  
[Applicable/Not Applicable]]
- (j) Averaging Date(s): [specify][Not Applicable] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition

		7)/[Modified Following Currency Convention]/[Preceding Currency Convention]]
(k)	Strike Date(s):	[specify][Not Applicable] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7)/[Modified Following Currency Convention]/[Preceding Currency Convention]]
(l)	Optional Additional Disruption Events:	[The following Optional Additional Disruption Events apply to the Notes:]  [Increased Cost of Hedging]
(m)	Trade Date:	[●]
31.	<b>Equity Index-Linked Redemption Notes:</b>	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a)	Equity Index/Basket of Equity Indices:	[●]  [The [●] Index is a Composite Index.] <sup>8</sup>
(b)	Index Currency:	[specify]
(c)	Screen Page:	[specify]
(d)	Specified Maximum Days of Disruption:	[As per the Conditions][specify] Scheduled Trading Days]
(e)	Averaging:	Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]  [In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]  [Modified Postponement]  <i>(Only applicable if Modified Postponement is applicable as an Averaging election)</i>  [Specified Maximum Days of Disruption will be equal to: [●]/[eight]]  (If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)
(f)	Redemption Valuation Date:	[specify]

<sup>8</sup>

Specify each Composite Index (if any).

- (g) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable].  
[In the event that an Observation Date is a Disrupted Date,[Omission/Postponement/Modified Postponement] [the provisions of Schedule 5] will apply.]
- (h) Observation Period: [specify/Not Applicable]
- (i) Exchange Business Day: [(All Indices Basis)/(Per Index Basis)/(Single Index Basis)]  
*(standard election is All Indices Basis)*
- (j) Scheduled Trading Day: [(All Indices Basis)/(Per Index Basis)/(Single Index Basis)]  
*(must match election made for Exchange Business Day)*
- (k) Exchange(s) and Index Sponsor: (i) the relevant Exchange[s] [is/are] [●]; and  
(ii) the relevant Index Sponsor is [●]
- (l) Related Exchange: [specify/All Exchanges]
- (m) Weighting: [Not Applicable/The Weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in the case of Index Linked Notes]/[specify]. *(N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Indices)*
- (n) Valuation Time: [As per the Conditions]/[●] being the time specified on the Valuation Date or an Averaging Date or Observation Date as the case may be, for the calculation of the Settlement Price.] *(N.B. If no time specified, the Valuation Time will be as per the Conditions)*
- (o) Index Correction Period: [As per Equity Index Linked Note Condition 7/[specify]]
- (p) Optional Additional Disruption Events: (i) [The following Optional Additional Disruption Events apply to the Notes:]  
*(Specify each of the following which applies)*  
[Increased Cost of Hedging]  
[Increased Cost of Stock Borrow]  
[Loss of Stock Borrow]  
Trade Date: [●]  
(ii) [[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant security] is



[●].]

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

- (iii) [[The Initial Stock Loan rate in respect of *[specify in relation to each relevant security]* is [●].]

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

- (iv) Delayed Redemption on the Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event: [Applicable/Not Applicable]

*[if applicable:*

Principal Protected Termination Amount:  
[Applicable/Not Applicable]]

- (q) Market Disruption: Specified Maximum Days of Disruption will be equal to [●]/[eight]

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

- (r) Delayed Redemption on the Occurrence of Index Adjustment Event: [Applicable/Not Applicable]  
*[if applicable:*

Principal Protected Termination Amount:  
[Applicable/Not Applicable]]

## 32. Early Redemption Amount

- (a) Early redemption for taxation reasons: [Applicable/Not Applicable/As per Condition 7.2 for Euro Notes and Condition 6.2 for Luxembourg Notes]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph and insert "do not apply" in paragraph 39)*

[Early Redemption Amount per Calculation Amount payable on redemption: [100][●] per cent. of its nominal amount][Market Value less Costs] [Not Applicable]

Minimum Notice Period: *[insert period]*

Maximum Notice Period: *[[insert period]/Not Applicable]*

- (b) Early redemption on event of default:

[Early Redemption Amount per [100][●] per cent. of its nominal amount][Market Value

Calculation Amount payable on redemption: less Costs]]

- (c) Early redemption for Illegality: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

Early Redemption Amount per Calculation Amount payable on redemption: [100][●] per cent. of its nominal amount][Market Value less Costs]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

33. (a) If Euro Notes whether the Notes are Bearer Notes or Registered Notes: [Bearer/Registered]

- (b) Form of the Notes: **[Bearer Notes]**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [at any time/only upon an Exchange Event].]

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

[Permanent Global Note exchangeable for Definitive Notes at any time/only upon an Exchange Event.]]

*(N.B. the exchange at any time option should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "[€100,000] and integral multiples of [€][1,000] in excess thereof up to and including [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Global Notes exchangeable for Definitive Notes.)*

### **[Registered Notes]**

[Regulation S Global Certificate (US\$/€ [ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

34. [New Global Note][*delete if Registered Notes*][ ][Issued under the new safekeeping structure][*delete if Bearer Notes*]: [Yes/No]

*[If "No" is specified, ensure that "Not Applicable" is specified for Eurosystem eligibility in the relevant paragraph of section 10 of Part B of these Final Terms, and if "Yes" is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem*

*eligibility.]*

35. Additional Financial Centre(s): [Not Applicable/*give details.*] (*Note that this item relates to the date of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of Interest, to which item 17 (j) relates*)
36. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]
37. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/*give details*]
- (b) Instalment Date(s): [Not Applicable/*give details*]
38. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions in Condition [4 [*if Euro Notes*]]/[3 [*If Luxembourg Notes*]] apply]
39. Taxation: The provisions in Condition [8 [*if Euro Notes*]]/[7 [*If Luxembourg Notes*]] [do not] apply

### **THIRD PARTY INFORMATION**

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

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

(a) Listing: [Official List of the Luxembourg Stock Exchange][Euronext Brussels][None]

(b) Admission to trading: [Application [will be made][has been made] by the Issuer (or on its behalf) for the Notes to be [admitted to trading on the Regulated Market of the Luxembourg Stock Exchange] [admitted to trading on Euronext Brussels] [with effect from [●]].]

[Not Applicable.]

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

*(Indicate the market on which securities of the same class are already admitted to trading or where application to trade has been made simultaneously.)*

(c) [Estimate of total expenses related to admission to trading:]\* [●]\*

### 2. RATINGS

Ratings: [Not Applicable] [The Notes to be issued have been rated/ The Programme under which the Notes will be issued has been rated:

[S & P: [●]]

[Moody's: [●]]

[Fitch: [●]]

*[The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating]*

[For the purpose of the foregoing, each of Moody's France S.A.S. ("**Moody's**"), Standard & Poor's Credit Market Services France S.A.S. ("**S&P**"), and Fitch France S.A.S. ("**Fitch**") are established and operating in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") as set out within the list of registered CRAs dated [1 December

2015 / insert date of latest update] by ESMA (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).]

A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.])\*\**

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. NOTIFICATION

[Not Applicable/ The [name of competent authority in home Member State] [has been requested to provide/has provided] (include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues) the [names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. – Amend as appropriate if there are other interests]

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

### 5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(a) [Reasons for the offer] [specify]

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

(b) [Estimated net proceeds:] [●]

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

(c) [Estimated total expenses:] [●]. *(Expenses are required to be broken down into each*

principal intended "use" and presented in order of priority of such "uses".\*\*)

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (b) and (c) above are also required.)*

**6. [YIELD (Fixed Rate Notes only)**

Indication of yield: [●]

**7. [HISTORIC INTEREST RATES (Floating Rate Notes and Underlying Interest Rate-Linked Notes only)\*\***

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters or other page].]

**8. [(Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes) and Equity Index-Linked Notes) – PERFORMANCE OF [INFLATION INDEX/FOREIGN EXCHANGE (FX) RATE/EQUITY INDEX] – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING REFERENCE (TO BE INCLUDED FOR DERIVATIVE SECURITIES TO WHICH ANNEX XII TO THE PROSPECTUS DIRECTIVE REGULATIONS APPLIES)**

- |     |   |   |
|-----|---|---|
| (a) | [Information on past and further performance of the [inflation index/foreign exchange rate/interest rate/equity index] and its volatility:] | [Indicate where such information can be obtained.]  |
| (b) | [Example of how the value of the investment is affected by the value of the underlying:]  | [If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, an example(s) of how the value of the investment is affected by the value of the underlying may be included.] |
| (c) | [Name of [inflation index/foreign exchange rate/equity index]:]   | [specify]   |
| (d) | [Information on [inflation index/foreign exchange rate/equity index]:]  | [specify]   |
| (e) | [Description of the interest rate:]   | [specify]   |
| (f) | [The underlying is a basket of underlyings:]  | [disclosure of relevant weightings of each underlying in the basket]  |

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

## 9. DISTRIBUTION

- (a) Method of distribution: [Syndicated][Non-syndicated]
- (b) If syndicated, names [and addresses]\*\* of Managers [and underwriting commitments]\*\*: [Not Applicable/give names [and addresses and underwriting commitments]\*\*] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)\*\**
- (c) [Date of [Subscription Agreement:]\*\*] [●]\*\*
- (d) Stabilisation Manager (if any): [Not Applicable/give name and address]
- (e) If non-syndicated, name [and address]\*\* of relevant Dealer: [Name [and address]\*\*]
- (f) [Total commission and concession:\*\*] [●] per cent. of the Aggregate Nominal Amount]\*\*
- (g) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
- (h) Additional U.S. Federal Income Tax Considerations: [The Notes are [not] Specified Securities for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986. [Additional information regarding the application of Section 871(m) to the Notes will be available at [give name(s) and address(es) of Issuer contact]. [The Issuer will arrange for withholding under Section 871(m) to be imposed on any dividend equivalent payment at a rate of 30 per cent.]]

*(If the Notes are Specified Securities, include the "Additional information" sentence and provide the appropriate contact information at the Issuer. N.B. Include the option above, completed as appropriate, where (a) the Notes do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities or (b) the Section 871(m) determination has been made by the time the Final Terms are finalised (in which case, the determination will have been made either (i) on the pricing date, if this falls 14 days or fewer before the issue date or (ii) on the issue date, if the pricing date falls more than 14 days before the issue date. Otherwise, include the following option, completed as appropriate:*

[As at the date of these Final Terms, the Issuer has not determined whether the Notes are Specified Securities for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986; however, indicatively it considers that they will [not] be Specified Securities for these purposes. **This is indicative information only subject to change and if the Issuer's final determination is different then it will give notice of such determination.** Please contact [give name(s) and address(es) of Issuer contact] for further information regarding the application of Section 871(m) to the Notes.]]

*(The Notes will not be Specified Securities if they (i) are issued prior to 1 January 2018 and provide a return that differs significantly from the return on an investment in the underlying or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes are issued on or after 1 January 2018 and reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis would be required.)*

[Payments on the Specified Securities are calculated by reference to [Net Dividends/Net Total Returns]. By purchasing a Specified Security, the parties agree that in calculating the relevant payment amount the Issuer has withheld, and the purchaser is deemed to have received 30 per cent. of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant [U.S. securities/U.S. dividend paying index components]. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

[For this purpose, "**Net Dividends**" means the dividends paid by an issuer of a security net of 30 per cent. U.S. federal withholding tax.]

[For this purpose "**Net Total Returns**" means the net total return of the U.S. source dividend paying components, as calculated by the Index Sponsor, of an index that reinvests U.S. source dividends paid by an issuer of a security that is a component of the index net of 30 per cent. U.S. withholding tax on such U.S. source dividends.]]

- (i) Non-exempt Offer where there is no exemption from the obligation under the Prospectus Directive to publish a Prospectus:

[Applicable] [Not Applicable] *(if not applicable, delete the remaining placeholders of this paragraph (h) and also paragraph 11 below)*



Non-exempt Jurisdictions:	Offer	<i>[Specify relevant Member State(s) where the Issuer intends to make Non-exempt Offers (from amongst Belgium, France, Germany or Luxembourg, or any other jurisdiction to which the Base Prospectus may be notified in accordance with Article 18 of the Prospectus Directive, from time to time), which must therefore be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)]</i>
Offer Period		<i>[specify period]</i> (the " <b>Offer Period</b> ").
Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it:		<i>[Insert names and addresses of financial intermediaries receiving consent (specific consent)]</i>
General Consent:		[Not Applicable][Applicable]
Other Authorised Offeror Terms:		[Not Applicable][Add here any other Authorised Offeror Terms]  <i>(Authorised Offeror Terms should only be included here where General Consent is applicable.)</i>  <i>(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a Non-exempt Offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt Offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)</i>
(j) Name and address of entities which have a firm commitment to act as intermediaries in secondary trading**:		<i>[specify]</i> [Not Applicable]
(k) Prohibition of Sales to EEA Retail Investors:		[Applicable/Not Applicable ]  <i>(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)</i>

## 10. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]
- (b) Common Code: [●]
- (c) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No/Not Applicable]

[[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of Euroclear or Clearstream, Luxembourg acting as common safekeeper,][*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[Note that the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper[, and registered in the name of a nominee of one of Euroclear or Clearstream, Luxembourg acting as common safekeeper,][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] [*include appropriate option if issued in NGN (in the case of bearer notes) or NSS form (in the case of registered form)*]

- (d) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/ (*give name(s), address and number(s)*)]
- (e) Delivery: Delivery [against/free of] payment
- (f) Names and addresses of additional Paying Agent(s) (if any) and/or any alternative Registrar: [●]

- |     |  |   |
|-----|--|---|
| (g) | Deemed delivery of clearing system notices for the purposes of Condition 14.1(a) <i>(in the case of Euro Notes)</i> /13.1 <i>(in the case of Luxembourg Notes)</i> : | Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg. |
|-----|--|---|

**11. [TERMS AND CONDITIONS OF THE OFFER**

*(Delete whole section if sub-paragraph 9(i) above is specified to be not applicable because there is no Non-exempt Offer)*

- |     |  |  |
|-----|--|--|
| (a) | Offer Price:   | [Issue Price] [Not Applicable] [specify] |
| (b) | Conditions to which the offer is subject:  | [Not Applicable/give details]            |
| (c) | Description of the application process:  | [Not Applicable/give details]            |
| (d) | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:                                | [Not Applicable/give details]            |
| (e) | Details of the minimum and/or maximum amount of application:   | [Not Applicable/give details]            |
| (f) | Details of the method and time limits for paying up and delivering the Notes:  | [Not Applicable/give details]            |
| (g) | Manner in and date on which results of the offer are to be made to the public:   | [Not Applicable/give details]            |
| (h) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/give details]            |
| (i) | Whether tranche(s) have been reserved for certain countries:   | [Not Applicable/give details]            |
| (j) | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:      | [Not Applicable/give details]            |

- (k) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]
- (l) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [The Authorised Offerors identified in paragraph 9 above and identifiable from the Base Prospectus/ None/*give details*]
- (m) Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [None/*give details*]

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**Notes:**

- \* Delete if the minimum denomination is less than €100,000
- \*\* Delete if the minimum denomination is €100,000 or greater

## ANNEX

### SUMMARY OF THE NOTES

*[Issue specific summary to be inserted in the case of Notes issued with a minimum denomination of less than EUR100,000 (or its equivalent in another currency)]*

## FORM OF PRICING SUPPLEMENT FOR EXEMPT NOTES

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes of any denomination issued under the Programme.*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes, [from 1 January 2018], are not intended to be offered, sold or otherwise made available to and[, with effect from such date], should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF THE NOTES DESCRIBED BELOW**

**PRICING SUPPLEMENT dated [●]  
BGL BNP PARIBAS  
Société anonyme  
50, avenue J.F. Kennedy, L-2951 Luxembourg**

**Incorporated with limited liability under the laws of the Grand Duchy of Luxembourg Registered with the Registre de Commerce et des Sociétés, Luxembourg, B6481**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of relevant Tranche of Notes] issued pursuant to the Euro Medium Term Note Programme of BGL BNP Paribas**

### **PART A – CONTRACTUAL TERMS**

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant member State of the European Economic Area.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein and must be read in conjunction with the Base Prospectus dated 20 June 2017 [as supplemented by the supplement[s] dated [date(s)]] (the "**Base Prospectus**"). Full information on the Issuer and the Notes described herein is only available on the basis of a combination of the Pricing Supplement and the Base Prospectus.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus.

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<sup>1</sup> Legend to be included on front of the Pricing Supplement (i) for offers concluded on or after 1 January 2018 if the Notes potentially constitute "packaged" products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable" (ii) for offers concluded before 1 January 2018 at the option of the parties.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus, as supplemented. Copies of the Base Prospectus (including any supplements thereto) may be obtained from BGL BNP Paribas ("**BGL**") as Issuer at 50, avenue J.F. Kennedy, L-2951 Luxembourg and BNP Paribas Securities Services, Luxembourg Branch as Agent at 60 avenue J.F. Kennedy, L-1855 Luxembourg.

*[Unless stated otherwise, include all the items listed in Part A – Contractual Terms of this Pricing Supplement in connection with all Notes.]*

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

1. (a) Issuer: BGL BNP Paribas ("**BGL**")
- (b) Whether the Notes are Euro Euro Notes/Luxembourg Notes  
Notes or Luxembourg Notes:
- (c) Specified Branch (if any) [ ]  
through which the Notes are  
being issued:
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 36 below, which is expected to occur on or about *[date]*][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ] [(being the equivalent of [●] Units)]
- (a) Series: [ ]
- (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount /  
[ ] per Note of Specified Denomination (*if Trading in Units is applicable*) [plus accrued interest from *[insert date]* (*if applicable*)]
6. (a) Specified Denominations: [ ]
- (b) Calculation Amount [ ]

*[The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (a) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (b) if there are*

*several Specified Denominations, the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).]*

(c) [Trading in Units: [Applicable/Not Applicable]

*[If Trading in Units is specified as being Applicable then the Notes will be tradeable (only whilst such Notes are in global form and interests therein are reflected in the records of the relevant clearing systems) by reference to the number of Notes being traded (each having the Specified Denomination) as opposed to the aggregate nominal amount of Notes being traded. [Trading in Units may only be specified as being Applicable if the Notes have a single Specified Denomination.]]*

7. (a) Issue Date: [ ]

(b) Interest Commencement Date [specify/Issue Date/Not Applicable]  
(if different from the Issue Date): *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

8. Maturity Date: *[specify date or (for Floating Rate Notes/Variable Redemption Notes) Interest Payment Date falling in the relevant month and year] [Subject to adjustment in accordance with the [name of applicable Business Day Convention].]*

*[(NB: The Maturity Date may need to be not less than one year after the Issue Date)]*

9. Interest Basis: [Not Applicable]

[ [ ] % Fixed Rate]  
[[specify reference rate] +/- [ ] % Floating Rate]  
[Zero Coupon]  
[Inflation Index-Linked Interest]  
[Foreign Exchange (FX) Rate-Linked Interest]  
[Underlying Interest Rate-Linked Interest]  
[Equity Index-Linked Interest]  
[Variable Interest Rate]  
[Non-Interest Bearing]  
[Other (specify)]  
(further particulars specified below)

10. Redemption/Payment Basis: [[100] [●] per cent.] of its nominal amount]  
[Inflation Index-Linked Redemption]  
[Foreign Exchange (FX) Rate-Linked Redemption]  
[Underlying Interest Rate-Linked Redemption]  
[Equity Index-Linked Redemption]  
[specify other]  
[(further particulars specified below)]

11. Change of Interest or [Specify details of any provision for convertibility of Notes



- Redemption/Payment Basis: *into another interest or redemption/payment basis* [Not Applicable]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]  
[Not Applicable]
13. Calculation Agent responsible for calculating interest and/or redemption amounts due: [Applicable/Not Applicable]
14. Knock-in Event<sup>2</sup>: [Applicable/Not Applicable]
- [If applicable: [Foreign Exchange (FX) Rate-Linked Note Conditions 4 and 7 shall apply.][Underlying Interest Rate-Linked Note Condition 6 shall apply.][Equity Index-Linked Note Condition 5 shall apply.]]  
[If applicable:  
[specify]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) SPS Knock-in Valuation: [Applicable/Not Applicable]
- (b) Knock-in Level/Knock-in Range Level: [specify]/[[From and including/From but excluding][specify][to and including/to but excluding][specify]]/[FX Knock-in Level:
- [[Knock-in Average Value  
Knock-in Averaging Dates: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]  
[Single Resettable Knock-in  
Knock-in Observation Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]  
Resettable Adjustment: [+/-][●]]  
[Multiple Resettable Knock-in  
Resettable Knock-in Period: [●]  
Knock-in Observation Date(s): [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign

<sup>2</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes and Equity Index-Linked Notes.

*Exchange (FX) Rate-Linked Interest Notes)*

Resettable Adjustment: [+/-][●]][Not Applicable]

- (c) Knock-in Period Beginning Date: *[specify]*[Not Applicable]
- (d) Knock-in Period Beginning Date Convention: [Applicable/Not Applicable]
- (e) Knock-in Determination Period: *[specify]*/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6]][Equity Index-Linked Note Condition 5][Not Applicable]
- (f) Knock-in Determination Day(s): *[specify]*/[Each [Scheduled Trading Day/Business Day] in the Knock-in Determination Period]
- (g) Knock-in Period Ending Date: *[specify]*[Not Applicable]
- (h) Knock-in Period Ending Date Convention: [Applicable/Not Applicable]
- (i) Knock-in Valuation Time: *[specify]*/See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6][Equity Index-Linked Note Condition 5]/[Valuation Time]/[Any time on a Knock-in Determination Day]/Not Applicable]
- (j) Disruption Consequences: [Applicable/Not Applicable]

15. Knock-out Event<sup>3</sup>: [Applicable/Not Applicable]

*[If applicable: [Foreign Exchange (FX) Rate-Linked Note Conditions 4 and 7 shall apply.][Underlying Interest Rate-Linked Note Condition 6 shall apply.][Equity Index-Linked Note Condition 5 shall apply]*

*[If applicable:*

*[specify]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"]]*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Knock-out Level /Knock-out Range Level: *[specify]* [[From and including/From but excluding][specify][to and including/to but excluding][specify]]/[FX Knock-out Level:

[[Knock-out Average Value

Knock-out Averaging Dates: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency

<sup>3</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes and Equity Index-Linked Notes.

Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]

[Single Resettable Knock-out  
 Knock-out Observation Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]  
 Resettable Adjustment: [+/-][●]]

[Multiple Resettable Knock-out  
 Resettable Knock-out Period: [●]  
 Knock-out Observation Date(s): [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]  
 Resettable Adjustment: [+/-][●]]]

- (b) Knock-out Period Beginning Date: [*specify*][Not Applicable]
- (c) Knock-out Period Beginning Date Convention: [Applicable/Not Applicable]
- (d) Knock-out Period: Determination [*specify*]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6]][Equity Index-Linked Note Condition 5]][Not Applicable]
- (e) Knock-out Day(s): Determination [*specify*]/[Each [Scheduled Trading Day/Business Day] in the Knock-out Determination Period]
- (f) Knock-out Period Ending Date: [*specify*]
- (g) Knock-out Period Ending Date Convention: [Not Applicable/Applicable]
- (h) Knock-out Valuation Time: [*specify*]/[See definition in [Foreign Exchange (FX) Rate-Linked Note Condition 4][Underlying Interest Rate Linked Note Condition 6]][Equity Index-Linked Note Condition 5] [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not Applicable]
- (i) Disruption Consequences: [Applicable/Not Applicable]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **General Interest Provisions** [Not Applicable]
- (a) [[Specified] <sup>4</sup> Interest Payment Date(s) ]/[Specified Period]<sup>4</sup>: [●] [in each year] [adjusted in accordance with the Business Day Convention as set out in (d) below] [for the purpose of payment only<sup>5</sup>] *or* [Not subject to adjustment, as the Business Day Convention in (d) below is specified to be Not Applicable]
- (If applicable, identify any Additional Business Centre(s) for the purpose of payment)*
- (b) Day Count Fraction: [[Actual/Actual (ICMA) ]/[Actual/Actual] / [Actual/365(Fixed) ]/[Actual/360 ]/[30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis]]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (d) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent): [●]
- (e) Minimum Interest Rate: [[●] per cent. per annum] / [Not Applicable]
- (f) Maximum Interest Rate: [[●] per cent. per annum] / [Not Applicable]
- (g) Accrual to Redemption: [Applicable] / [Not Applicable]
- (h) Additional Business Centre(s) [*insert*] [Not Applicable]
- (i) Rate of Interest: [If applicable: Payout Conditions [[1.1, 1.2, 1.6][2.1, 2.4, 2.5, 2.6, 2.8], 3 and 4] apply.]
- [Fixed Rate]
- [Floating Rate]
- [[Inflation Index/Foreign Exchange (FX) Rate/Underlying Interest Rate/Equity Index]-Linked Interest]
- [Fixed Income Interest Rates:
- [FI Digital Coupon applicable (see Payout Condition 1.1(a)):**

<sup>4</sup> Relevant for Floating Rate Notes only.

<sup>5</sup> Insert "for the purpose of payment only" if the accrual periods are not subject to adjustment in the same manner as the payment dates.

FI Upper Barrier Level: *[[specify] per cent.] / [insert level] [specify for each Underlying Reference]*

FI Lower Barrier Level: *[[specify] per cent.]/[insert level] [specify for each Underlying Reference]*

FI Digital Coupon Condition: *[greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the FI Upper Barrier Level [[and/or] [greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the FI Lower Barrier Level]*

[Underlying Reference 2: [Applicable/Not Applicable]]

Gearing A: [●] per cent.

Global Cap A: [●] per cent.

Global Floor A: [●] per cent.

Constant A: [●] per cent.

Gearing B: [●] per cent.

Global Cap B: [●] per cent.

Global Floor B: [●] per cent.

Constant B: [●] per cent.

FI Rate A: [Rate/Inflation Rate]

FI Rate B: [Rate/Inflation Rate] *[FI Rate A and FI Rate B should either both specify Rate or both specify Inflation Rate]*

[Inflation Rate: [YoY Inflation Rate / Cumulative Inflation Rate]

[Strike Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]

FI Interest Valuation Date(s): *[specify]*

**[Range Accrual Coupon applicable (see Payout Condition 1.1(b)):**

Gearing: [●] per cent.

Global Margin: [●] per cent.

Global Cap: [●] per cent.

Global Floor: [●] per cent.

Local Cap: [●] per cent.

Local Floor: [●] per cent.

FI Rate: [Rate/Inflation Rate]

[Inflation Rate: [YoY Inflation Rate/Cumulative Inflation Rate]

Strike Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]

[Range Accrual Coupon Barrier Level Up: [specify] per cent. [specify for each Underlying Reference]

Range Accrual Coupon Barrier Level Down: [specify] per cent.] [specify for each Underlying Reference]

Range Accrual Coupon Condition: [greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the Range Accrual Coupon Barrier Level Down [[and/or] [greater than / less than / equal to or greater than / less than or equal to] [specify for each Underlying Reference] the Range Accrual Coupon Barrier Level Up]

[Underlying Reference 2: [Applicable/Not Applicable]]

Range Period: [specify]

Range Accrual Day: [Scheduled Day/Business Day/Underlying Determination Day/calendar day] Trading Interest

Deemed Range Accrual: [Applicable/Not Applicable]

[Range Cut-off Date: [specify]]

Range Period End Date: [●]

FI Interest Valuation Date(s): [●]

**[Combination Floater Coupon applicable (see Payout Condition 1.1(c)):**

Global Cap: [●] per cent.

Global Floor: [●] per cent.

Local Cap: [●] per cent.

Local Floor: [●] per cent.

Global Margin: [specify] per cent. per annum.

Gearing: [specify] per cent. for Rate<sub>(i)</sub> (repeat for each Rate)

FI Rate: [Rate/Inflation Rate]

[Inflation Rate: [YoY Inflation Rate/Cumulative Inflation Rate]

Strike Date: [●]

FI Interest Valuation Date(s): [●]

**[PRDC Coupon applicable (see Payout Condition 1.1(d)):**

Coupon Percentage 1: [●] per cent.

Coupon Percentage 2: [●] per cent.

Cap: [●] per cent.

Floor: [●] per cent.

[FI Interest Valuation Date(s): [specify]]

[Averaging: [Applicable/Not Applicable]

[Averaging Dates: [specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]/

Initial Settlement Price: [●]

[Initial Closing Value: [Applicable/Not Applicable]

Strike Date: [●] [Currency Convention:  
[As per Foreign Exchange (FX)  
Rate-Linked Note Condition  
7]/[Modified Following  
Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]

[Initial Average Value: [Applicable/Not Applicable]

Strike Days: [●]

[Averaging Date [Applicable/Not Applicable]  
Consequences:

Strike Period: [●]]

**[FI Digital Floor Coupon applicable (see Payout  
Condition 1.1(e):**

Digital Floor Percentage [●] per cent.  
1:

Digital Floor Percentage [●] per cent.  
2:

FI Digital Value: [Performance Value/Worst  
Value/Best Value/Multi-Basket  
Value/Weighted Average FI  
Basket Value]

Performance Value: Performance Value  
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [*specify percentage per  
Underlying Reference*]]

FI Digital Floor Level: [[●]/

[FX Digital Level:

[FX Digital  
Average Value:

FX Averaging [*specify*] [Currency  
Dates: Convention: [As per Foreign



Exchange (FX) Rate-Linked  
 Note Condition 7]/[Modified  
 Following Currency  
 Convention]/[Preceding  
 Currency Convention] (*N.B.  
 only applicable to Foreign  
 Exchange (FX) Rate-Linked  
 Interest Notes*)]/

[Single Resettable  
 Level:

FX Digital [specify] [Currency  
 Observation Convention: [As per Foreign  
 Date(s): Exchange (FX) Rate-Linked  
 Note Condition 7]/[Modified  
 Following Currency  
 Convention]/[Preceding  
 Currency Convention] (*N.B.  
 only applicable to Foreign  
 Exchange (FX) Rate-Linked  
 Interest Notes*)]

Resettable [ +/- ] [●]  
 Adjustment:

[Multiple Resettable  
 Level:

Resettable [specify]  
 Period:

FX Digital [specify] [Currency  
 Observation Convention: [As per Foreign  
 Date(s): Exchange (FX) Rate-Linked  
 Note Condition 7]/[Modified  
 Following Currency  
 Convention]/[Preceding  
 Currency Convention] (*N.B.  
 only applicable to Foreign  
 Exchange (FX) Rate-Linked  
 Interest Notes*)]

Resettable [ +/- ] [●]  
 Adjustment:

FI Interest Valuation [specify]  
 Date(s):

[Averaging: [Applicable/Not Applicable]

[Averaging Dates: [specify] [Currency  
 Convention: [As per Foreign  
 Exchange (FX) Rate-Linked  
 Note Condition 7]/[Modified

Following Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]

Initial Settlement Price: [[●]/

[Initial Closing Value: [Applicable/Not Applicable]

Strike Date: [●] [Currency Convention:  
[As per Foreign Exchange (FX)  
Rate-Linked Note Condition  
7]/[Modified Following  
Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]/

[Initial Average Value: [Applicable/Not Applicable]

Strike Days: [●]

Averaging Date [Applicable/Not Applicable]  
Consequences:

Strike Period: [●]]

**[FI Digital Cap Coupon applicable (see Payout  
Condition 1.1(f)):**

Digital Cap Percentage [●] per cent.  
1:

Digital Cap Percentage [●] per cent.  
2:

FI Digital Value: [Performance Value/Worst  
Value/Best Value/Multi-Basket  
Value/Weighted Average FI  
Basket Value]

Performance Value: Performance Value  
[1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [*specify percentage per  
Underlying Reference*]]

FI Digital Cap Level: [[●]/

[FX Digital Level:

[FX Digital  
Average Value:

FX Averaging [specify] [Currency  
Dates: Convention: [As per Foreign  
Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]/

[Single Resettable  
Level:

FX Digital [specify] [Currency  
Observation Convention: [As per Foreign  
Date(s): Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]

Resettable [ +/- ][●]  
Adjustment:

[Multiple Resettable  
Level:

Resettable [specify]  
Period:

FX Digital [specify] [Currency  
Observation Convention: [As per Foreign  
Date(s): Exchange (FX) Rate-Linked  
Note Condition 7]/[Modified  
Following Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]

Resettable [ +/- ][●]  
Adjustment:

FI Interest Valuation [specify]

Date(s):

[Averaging:                      [Applicable/Not Applicable]

[Averaging Dates:    *[specify]*                      [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]

Initial Settlement Price:    [[●]/

[Initial Closing Value:    [Applicable/Not Applicable]

Strike Date:                      [●]    [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]/

[Initial Average Value:    [Applicable/Not Applicable]

Strike Days:                      [●]

Averaging Date    [Applicable/Not Applicable]  
Consequences:

Strike Period:                      [●]]]

**[FI Target Coupon applicable (see Payout Condition 1.1(g))**

Target                      Coupon    [●] per cent.  
Percentage:

Target                      Determination    *[specify]*  
Date:

**[FI FX Vanilla Coupon applicable (see Payout Condition 1.1(h)):**

Gearing:                      [●] per cent.

Cap:                      [●] per cent.

Floor: [●] per cent.

Performance Value: Performance Value  
[1/2/3/4/5/6/7/8/9/10]

FI Interest Valuation [specify]  
Dates:

Averaging: [Applicable/Not Applicable]

Averaging Dates: [specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]

Initial Settlement Price: [[●]/

[Initial Closing Value: [Applicable/Not Applicable]

Strike Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]

[Initial Average Value: [Applicable/Not Applicable]

Strike Days: [●]

[Averaging Date [Applicable/Not Applicable]  
Consequences:

Strike Period: [●]]]

**[FI Digital Plus Coupon applicable (see Payout Condition 1.1(i)):**

Digital Plus Percentage [●] per cent.  
1:

Digital Plus Percentage [●] per cent.  
2:

Gearing: [●] per cent.

FI Digital Value: [Performance Value/Worst Value/Best Value/Multi-Basket Value/Weighted Average FI Basket Value]

Performance Value: Performance Value [1/2/3/4/5/6/7/8/9/10]

[FI Weighting: [●]]

[G: [*specify percentage per Underlying Reference*]]

FI Digital Plus Level: [[●]/

[FX Digital Average Value: [Applicable/Not Applicable]

FX Averaging Dates: [*specify*] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]]/

[Single Resettable Level: [Applicable/Not Applicable]

FX Digital Observation Date(s): [*specify*] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]

Resettable Adjustment: [+/-][●]

[Multiple Resettable Level: [Applicable/Not Applicable]

Resettable Period: [*specify*]

FX Observation Date(s):	Digital	[specify]	[Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]
Resettable Adjustment:		[+/-] [●]]	
FI Interest Valuation Date(s):		[specify]	
[Averaging:			[Applicable/Not Applicable]
Averaging Dates:		[specify]	[Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]
Initial Settlement Price:		[[●]/	
[Initial Closing Value:			[Applicable/Not Applicable]
Strike Date:		[●]	[Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes)]]/
[Initial Average Value:			[Applicable/Not Applicable]
Strike Days:		[●]	
[Averaging Date Consequences:			[Applicable/Not Applicable]
Strike Period:		[●]]]	

[Rate:

[Fixed Rate]

[Floating Rate]]

**[SPS Variable Amount Coupon applicable (see Payout Condition 2.1(a)):**

Rate<sub>(i)</sub>: [Vanilla Call Rate][Vanilla Call Spread Rate]

Coupon Value<sub>(i)</sub>: [*specify (in each case in respect if (i) in this section where different)*]

Spread<sub>(i)</sub>: [●] per cent.

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]]

Constant Percentage<sub>(i)</sub>: [●] per cent.

Gearing<sub>(i)</sub>: [●] per cent.

[Floor Percentage<sub>(i)</sub>: [●] per cent.]

[Cap Percentage<sub>(i)</sub>: [●] per cent.]

SPS Coupon Valuation Date: [*specify*]

[Averaging:

Averaging Dates: [*specify*]

Averaging Date [Omission/ Postponement/ Consequences; Modified Postponement]

Underlying Reference [*specify*][Strike Price Closing Strike Price: Value]

[Strike Date: [*specify*][Not Applicable]]]

**17. Fixed Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(If more than one fixed rate is to be determined, repeat items (a) to (d) for each such rate and, if FI Digital Coupon is applicable, distinguish between the Rate which is FI Rate A and the Rate which is FI Rate B)*



- (a) Rate(s) of Interest: [ ] per cent.  
[per annum/per Specified Denomination]  
[payable [annually/semi-annually/quarterly/monthly/other  
(specify)] in arrear]
- (b) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (c) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest  
Payment Date falling [in/on] [ ]] [Not Applicable]
- (d) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [Not Applicable/other (give details. For example, if the  
Fixed Interest Period(s) shall be adjusted/unadjusted;  
Additional Business Centre, if relevant)]

18. **Floating Rate Note Provisions**

[Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of  
this paragraph. Also consider whether EURO BBA LIBOR  
or EURIBOR is the appropriate reference rate for Notes  
denominated in euro)

(If more than one floating rate is to be determined, repeat  
items (a) to (e) for each such rate and, if FI Digital  
Coupon is applicable, distinguish between the Rate which  
is FI Rate A and the Rate which is FI Rate B)

- (a) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other  
(give details)]
- (b) Screen Rate Determination: [Applicable/Not Applicable] (If not applicable delete the  
remaining sub-paragraphs of this paragraph)
- Reference Rate: [ ]
- Interest Determination Date(s): [ ]

(Second London business day prior to the start of each  
Interest Period if LIBOR (other than Sterling or euro  
LIBOR)/ first day of each Interest Period if Sterling  
LIBOR/and the second TARGET Settlement Day prior to  
the start of each Interest Period if EURIBOR or euro  
LIBOR)

(Indicate Interest Determination Date and specify if the  
calculation is to be made at the beginning/end of the  
period.)

- Relevant Screen Page: [ ]
- Specified Time: [ ]
- Relevant Financial Centre: [ ]

- (c) ISDA Determination: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (In the case of LIBOR or EURIBOR based option. The first day of the Interest Period)*
- (d) Margin(s): [[+/-] [ ] per cent. [per annum] /Not Applicable]
- (e) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [ ] *(Give details. For example, if the Interest Period(s) shall be adjusted/unadjusted)*

19. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount Payable for Zero Coupon Notes which are Exempt Notes: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Condition 7.6 (Euro Notes)] applies [6.6 (Luxembourg Notes)] applies/[specify other]

*(Consider applicable day count fraction if not U.S. dollar denominated)*

20. **Variable Interest Rate Note Provisions**

[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Index/Shares /formula/other variable: [give or annex details]

*(NB No conditions or disclosure contained in Base Prospectus for, inter alia, share or index linked Notes)*

- (b) Provisions for determining coupon where calculated by reference to Index/Shares/formula and/or other variable: [ ]

- (c) Determination Date(s): [ ]
- (d) Provisions for determining [ ]  
Coupon where calculation by  
reference to  
Index/Shares/formula and/or  
other variable is impossible or  
impracticable or otherwise  
disrupted:
- (e) Interest or Calculation Period(s) [ ]  
/Specified Interest Payment  
Dates:
- (f) Description of any Market [ ]  
Disruption or Settlement  
Disruption Events that affect the  
underlying:

21. **Dual Currency Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Rate of Exchange/method of [give or annex details]  
calculating Rate of Exchange:
- (b) Name and address of [ ]  
Calculation Agent, if any,  
responsible for calculating the  
principal and/or interest due:
- (c) Provisions applicable where  
calculation by reference to Rate  
of Exchange impossible or  
impracticable:
- (d) Person at whose option [ ]  
Specified Currency(ies) is/are  
payable:

22. **Inflation Index-Linked Interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(If more than one Inflation Rate is to be determined, repeat items (a) to (j) for each such Inflation Rate and, if FI Digital Coupon is applicable, distinguish between the Inflation Rate which is FI Rate A and the Inflation Rate which is FI Rate B and the Inflation Index which is Underlying Reference 1 and the Inflation Index which is Underlying Reference 2).*

[The Inflation Index-Linked Note Conditions at Schedule 2 of the Conditions apply.]

- (a) Index: [●] [Composite/Non-composite]
- (b) Screen Page/Exchange Code: [●]
- (c) Cut-Off Date: [●] / [Not Applicable]
- (d) Related Bond: [●] / [Fallback Bond]
- (e) Issuer of Related Bond: [●] / [Not Applicable]
- (f) Fallback Bond: [Applicable] / [Not Applicable]
- (g) Index Sponsor: [●]
- (h) Related Bond Redemption Event: [Applicable] / [Not Applicable]
- (i) Determination Date: [●]
- (j) Optional Additional Disruption Events: [The following Optional Additional Disruption Events apply to the Notes:]  
[Increased Cost of Hedging]
- (k) Trade Date: [●]

23. **Foreign Exchange (FX) Rate-Linked Interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[The Foreign Exchange (FX) Rate-Linked Note Conditions at Schedule 3 of the Conditions apply.]

- (a) The relevant base currency (the "Base Currency") is: [specify]
- (b) The relevant subject [specify]  
[currency/currencies/ (each  
a)/[the] "Subject Currency")  
[is/are]:
- (c) Weighting: [specify]
- (d) Price Source: [specify]
- (e) Disruption Event: [specify any additional Disruption Events]  
  
Specified Maximum Days of Disruption will be equal to [●]/[five]  
  
*(If no specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to five)*
- (f) Delayed Redemption on Occurrence of a Disruption [Applicable] / [Not Applicable]

Event:

[if applicable:

Principal Protection Termination Amount: [Applicable] / [Not Applicable]]

(g) Relevant Screen Page: [specify]

(h) Interest Valuation Time: [specify]

(i) Interest Valuation Date: [●] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]

(j) Averaging Date(s): [●] [Not Applicable] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]

(k) Strike Date: [●] [Not Applicable] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]

(l) Optional Additional Disruption Events: [(The following Optional Additional Disruption Events apply to the Notes:]

[Increased Cost of Hedging]

(m) Trade Date: [●]

24. **Underlying Interest Rate-Linked Interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*(If more than one Underlying Interest Rate is to be determined, repeat items (a) to (g) below for each such Underlying Interest Rate and, if FI Digital Coupon is applicable, distinguish between the Underlying Interest Rate which is FI Rate A and the Underlying Interest Rate which is FI Rate B and the Underlying Interest Rate which is Underlying Reference 1 and the Underlying Interest Rate which is Underlying Reference 2)*

[The Underlying Interest Rate-Linked Note Conditions at Schedule 4 of the Conditions apply.]

(a) Underlying Interest Determination Date(s): [specify]

*(If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate1:")*

(b) Manner in which the Underlying Interest Rate is to be [Screen Rate Determination/ISDA Determination]

determined:

(c) Screen Rate Determination:

- Underlying Reference Rate: [specify]  
[Either LIBOR/EURIBOR or other]
- Specified Time (Underlying): [specify]  
(which will be 11:00am, London time, in the case of LIBOR, or 11:00am, Brussels time, in the case of EURIBOR)
- Relevant Screen Page: [specify]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(d) ISDA Determination:

- Floating Rate Option: [specify]
- Designated Maturity: [specify]
- Reset Date: [specify]  
(In the case of LIBOR or EURIBOR based option. The first day of the Interest Period)

(e) Underlying Margin(s): [[+/-] [●] per cent. per annum][Not Applicable]

(f) Minimum Underlying Reference Rate: [[●] per cent. per annum][Not Applicable]

(g) Maximum Underlying Reference Rate: [[●] per cent. per annum][Not Applicable]

*(If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate2:" and repeat items (b) to (g)).*

*Repeat for each Underlying Interest Rate.)*

25. **Equity Index-Linked Interest Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Equity Index/Basket of Equity Indices: [●]

[The [●] Index is a [Composite] Index.]<sup>6</sup>

- (b) Index Currency: [specify]
- (c) Screen Page: [●]
- (d) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] [the provisions of Schedule 5] will apply.]

[Modified Postponement]

*(Only applicable if Modified Postponement is applicable as an Averaging election)*

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

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

- (e) Strike Date: [●]
- (f) Interest Valuation Date(s): [specify]
- (g) Observation Date(s): [[●]/Not Applicable].]

[In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] [the provisions of Schedule 5] will apply.]

- (h) Observation Period: [specify/Not Applicable]]
- (i) Specified Maximum Days of Disruption: [As per Equity Index Linked Note Condition 7]/[specify] Scheduled Trading Days]
- (j) Exchange Business Day: [(All Indices Basis)/(Per Index Basis)/(Single Index Basis)] (*standard election is All Indices Basis*)
- (k) Scheduled Trading Day: [(All Indices Basis)/(Per Index Basis)/(Single Index Basis)]

*(must match election made for Exchange Business Day)*

- (l) Exchange(s) and Index Sponsor: (i) the relevant Exchange[s] [is/are] [●]; and  
(ii) the relevant Index Sponsor is [●].

---

<sup>6</sup> Specify each Composite Index (if any).

- (m) Related Exchange: [specify/[All Exchanges]]
- (n) Weighting: [Not Applicable/The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in the case of Index Linked Notes]. *(N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Indices)*
- (o) Interest Valuation Time: [Scheduled Closing Time/Any time [on the relevant Settlement Price Date/during the Observation Period.] [[●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] *(N.B. if no time is specified, the Interest Valuation Time will be the Scheduled Closing Time)*
- (p) Index Correction Period: [As per Equity Index Linked Note Condition 7/specify]
- (q) Optional Additional Disruption Events:
- (i) [(The following Optional Additional Disruption Events apply:]
- (Specify each of the following which applies)*
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Increased Cost of Stock Borrow]
- [Loss of Stock Borrow]
- Trade Date: [●]
- (ii) [[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is [●].]
- (N.B. only applicable if Loss of Stock Borrow is applicable)]*
- (iii) [([The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [●].]
- (N.B. only applicable if Increased Cost of Stock Borrow is applicable)]]*
- (iv) Delayed Redemption on the Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event: [Applicable /Not Applicable]
- [if applicable:*
- Principal Protected Termination Amount: [Applicable/Not Applicable]]



(r) Market Disruption: Specified Maximum Days of Disruption will be equal to [●]/[eight]:

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

(s) Delayed Redemption on the Occurrence of Index Adjustment Event: [Applicable/Not Applicable]  
[if applicable:

Principal Protected Termination Amount: [Applicable/Not Applicable]]

## PROVISIONS RELATING TO REDEMPTION

26. Notice periods for [Condition 7.2]  
(Applicable for Euro Notes) [Condition 6.2] (Applicable for Luxembourg Notes):

(a) Maximum period: [[●] days/Not Applicable]

(b) Minimum period: [●] days

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

27. Issuer Call [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Optional Redemption Date(s): [ ]

*[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*

(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Calculation Amount

(c) If redeemable in part: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Minimum Early [ ] per Calculation Amount

Redemption Amount:

- (ii) Maximum Early [ ] per Calculation Amount  
Redemption Amount:

- (d) Notice period (if other than as  
set out in the Conditions):

- (i) Maximum period: [●] days  
(ii) Minimum period: [●] days

*[N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Agent]*

28. Investor Put

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Optional Redemption Date(s): [ ]

*[Please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*

- (b) Early Redemption Amount(s) [ ] per Calculation Amount  
and method, if any, of  
calculation of such amount(s):

- (c) Notice period (if other than as  
set out in the Conditions):

- (i) Maximum period: [●] days  
(ii) Minimum period: [●] days

*[N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Agent]*

29. Final Redemption Amount

[Calculation Amount x Final Redemption  
Percentage][Final Payout] per Calculation Amount

[Final Payout]

[If applicable: Payout Conditions [1.3, 1.6][2.2, 2.5, 2.6, 2.8,], 3 and 4 apply.]

Gearing: [●] per cent.

Cap: [●] per cent.

Floor: [●] per cent.

Performance Value:	Performance	Value
	[1/2/3/4/5/6/7/8/9/10]	

FI Redemption Valuation [Specify Redemption Valuation  
Dates: Date]

Averaging: [Applicable/Not Applicable]

Averaging Dates: [specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention] (*N.B. only applicable to Foreign Exchange (FX) Rate-Linked Interest Notes*)]

Initial Settlement Price: [●]

[Initial Closing Value:            [Applicable/Not Applicable]

Strike Date: [●] [Currency Convention:  
[As per Foreign Exchange (FX)  
Rate-Linked Note Condition  
7)]/[Modified Following  
Currency  
Convention]/[Preceding  
Currency Convention] (*N.B.  
only applicable to Foreign  
Exchange (FX) Rate-Linked  
Interest Notes*)]

[Initial Average Value:      [Applicable/Not Applicable]

Strike Days: [●]

[Averaging Consequences: \_\_\_\_\_]      Date [Applicable/Not Applicable] \_\_\_\_\_

Strike Period: [●]

FI Constant [●] per cent.  
Percentage 1

**[FI Inflation Notes (see Payout Condition 1.3(ii)):**

FI Redemption Valuation [●]  
Date(s):

Strike Date: [●]

**[Vanilla Call Notes (see Payout Condition 2.2(a)(i)):**

Gearing<sub>(i)</sub>: [●] per cent. (*specify in each case in respect of (i) in this section where different*)

Floor Percentage<sub>(i)</sub>: [●] per cent.

Final Redemption Value: [Specify]

Strike Percentage<sub>(i)</sub>: [●] per cent.

Constant Percentage 1: [●] per cent.

SPS Redemption [●]  
Valuation Date(s):

SPS Redemption [●]  
Valuation Period:

Underlying Reference [specify][Strike Price Closing  
Strike Price: Value]

Strike Date: [specify][Not Applicable]

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]

**[Certi plus: Generic Knock-in Notes (see Payout Condition 2.2(b)(i)):**

Gearing Up: [●] per cent.

Option Up: [Up Call][Up Put]

Up Final Redemption [Specify]  
Value:

Up Strike [●] per cent.  
Percentage:

Up Floor Percentage: [●] per cent.

Constant Percentage 1: [●] per cent.

Gearing Down: [●] per cent.

Option Down: [Down Call][Down Put]

Down Final [Specify]  
Redemption Value:

Down Strike [●] per cent.  
Percentage:

Down Floor [●] per cent.  
Percentage:

Constant Percentage 2: [●] per cent.

Floor Percentage: [●] per cent.

Final Redemption Value: [Specify]

Strike Percentage: [●] per cent.

SPS Redemption [●]  
Valuation Date(s):

SPS Redemption [●]  
Valuation Period:

Underlying Reference [specify][Strike Price Closing  
Strike Price: Value]

Strike Date: [specify][Not Applicable]

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]

**[SPS Securizer Notes (see Payout Condition 2.2(c)(i)):**

SPS Lock-in Condition: ["greater than"/"greater than  
or equal to"/"less than"/"less  
than or equal to"]

SPS Lock-in Level: [●]

SPS Lower Lock-in [●][Not Applicable]  
Level:

SPS Lock-in Value: [Underlying Reference  
Closing Price Value /  
Underlying Reference  
Intraday Price Value]

Final Redemption [Specify]

Value:

Constant Percentage 1 [●] per cent.

Constant Percentage 2 [●] per cent.

SPS Lock-in Valuation [●]  
Date(s):

SPS Lock-in Valuation [●][Not Applicable]  
Period:

SPS Redemption [●]  
Valuation Date(s):

Underlying Reference [Specify][Strike Price Closing  
Strike Price: Value]

Strike Date: [Specify][Not Applicable]

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]

**[SPS Capped Twin Win Notes (see Payout Condition 2.2(c)(ii)):**

SPS Twin Win Upper [●]  
Barrier Level:

SPS Twin Win Lower [●]  
Barrier Level:

SPS Twin Win Value: [Specify]

Final Redemption [Specify]  
Value:

Strike Percentage(i): [●] per cent.

Constant Percentage 1: [●] per cent.

Constant Percentage 2: [●] per cent.

SPS Redemption [●]  
Valuation Date(s):

Underlying Reference [specify][Strike Price Closing  
Strike Price: Value]

Strike Date: [specify][Not Applicable]

Maximum Value: [●][Not Applicable]

Minimum Value: [●][Not Applicable]

**[SPS Athena Notes (see Payout Condition 2.2(c)(iii)):**

SPS Athena Barrier ☐  
Level:

SPS Athena Barrier *[Specify]*  
Value:

Final Redemption *[Specify]*  
Value:

Constant Percentage 1: ☐ per cent.

Constant Percentage 2: ☐ per cent.

SPS Redemption ☐  
Valuation Date(s):

Underlying Reference *[specify]*[Strike Price Closing  
Strike Price: Value]

Strike Date: *[specify]*[Not Applicable]

Maximum Value: ☐[Not Applicable]

Minimum Value: ☐[Not Applicable]]

In cases where the Final Redemption Amount is linked to an index, shares, formula or other variable-linked: [Applicable/Not Applicable]

*[If not applicable, delete remaining sub paragraph of this sub-paragraph]*

(a) Index/Shares/formula/other variable: *[give or annex details]*

(b) Calculation Agent responsible for calculating the Final Redemption Amount ☐

(c) Provisions for determining Final Redemption Amount where calculated by reference to Index/Shares/formula and/or other variable: ☐

(d) [Determination Date(s): ☐]  
[Subject to adjustment in accordance with the *[name of applicable Business Day Convention]*.]]

(e) Provisions for determining Final Redemption Amount where calculation by reference to Index/Shares/formula and/or other variable is impossible or impracticable or otherwise ☐

disrupted:

- (f) Payment Date: [ ]
- (g) Minimum Final Redemption [ ] per Calculation Amount/Not Applicable Amount:
- (h) Maximum Final Redemption [ ] per Calculation Amount/Not Applicable Amount:

30. **Automatic Early Redemption**<sup>7</sup>: [Applicable/Not Applicable]

*[Insert if applicable: [Foreign Exchange (FX) Rate-Linked Note Condition 5 applies.][Underlying Interest Rate-Linked Note Condition 7 applies.][Equity Index-Linked Note Condition 6 applies]*

- (a) Automatic Early Redemption Event: [As per Foreign Exchange (FX) Rate-Linked Note Condition 5][Target Automatic Early Redemption] [FI Underlying Automatic Early Redemption] [FI Coupon Automatic Early Redemption] [Standard Automatic Early Redemption: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [SPS AER Valuation - [Applicable] [Not Applicable]: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"]

- (b) Automatic Early Redemption Valuation Time: [*specify*]

- (c) Automatic Early Redemption Payout: [Target Automatic Early Redemption (see Payout Condition 1.4(a)):

Final Interest Rate: [Capped and Guaranteed Applicable][Capped and Guaranteed Not Applicable][Capped Only][Guaranteed Only]

[FI Underlying Automatic Early Redemption (see Payout Condition 1.4(b)):

Accrual to Automatic Early Redemption: [Applicable/Not Applicable]

[FI Coupon Automatic Early Redemption (see Payout Condition 1.4(c)):

Coupon Cap: [●] per cent.]

[SPS Automatic Early Redemption Payout (see Payout Condition 2.3:

AER Rate: [●] (*specify in respect of an Automatic Early Redemption Valuation Date/Period where different rates*

<sup>7</sup> Only applicable in relation to Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes and Equity Index-Linked Notes.



*apply*)]

[Not Applicable: Equity Index-Linked Note Condition 6 applies]

(d) Automatic Early Redemption [specify]  
Date(s):

(e) Automatic Early Redemption [Not Applicable][specify]  
Level:

*[specify] (in respect of each Automatic Early Redemption Valuation Date where different levels apply)*

(f) [Automatic Early Redemption [[●] per cent.] [Not Applicable]  
Percentage/AER Redemption  
Percentage]:

(g) Automatic Early Redemption [[●] per cent.] [Not Applicable]  
Percentage Up:

(h) Automatic Early Redemption [[●] per cent.] [Not Applicable]  
Percentage Down:

(i) Automatic Early Redemption [specify]  
Valuation [Date(s)/Period]:

[AER 1 Redemption Valuation [Date(s)/Period]:

*[specify]*

[AER 2 Redemption Valuation [Date(s)/Period]:

*[specify]*

*(For Fixed Income payouts, consider whether this is the interest determination date (i.e. 2 business days prior to the Automatic Early Redemption Date))*

(j) Elections in respect of SPS [Not Applicable]/[Applicable:  
AER Valuation:

Automatic Early Redemption Event 1 [only] [and/or]  
[Automatic Early Redemption Event 2]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

– AER Event 1 [Specify]/[Not Applicable]  
Underlying(s):

– AER Event 1 Basket: [Applicable]/[Not Applicable]

– Automatic Early Redemption Level 1: [Specify]

*(Specify in respect of each Automatic Early Redemption Valuation Date where different levels apply)*

– AER Event 2 [Specify]/[Not Applicable]

Underlying(s):

– AER Event 2 Basket: [Applicable]/[Not Applicable]

31. **Inflation Index-Linked Redemption Notes:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[The Inflation Index-Linked Note Conditions at Schedule 2 to of the Conditions apply.]

- (a) Index/Indices: [●]  
[Composite/Non-composite]
- (b) Cut-Off Date: [●] / [Not Applicable]
- (c) Related Bond: [Applicable/Not Applicable] *[If applicable, specify: [●] / [Fallback Bond]]*
- (d) Issuer of Related Bond: [●] / [Not Applicable]
- (e) Fallback Bond: [Applicable] / [Not Applicable]
- (f) Index Sponsor: [●]
- (g) Related Bond Redemption Event: [Applicable] / [Not Applicable]
- (h) Determination Date: [●]
- (i) Optional Additional Disruption Events: [The following Optional Additional Disruptions Events apply to the Notes:]  
[Increased Cost of Hedging]
- (j) Trade Date: [●]

32. **Foreign Exchange (FX) Rate-Linked Redemption Notes:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[The Foreign Exchange (FX) Rate-Linked Note Conditions at Schedule 3 to the Conditions apply.]

- (a) Relevant Screen Page: [specify]
- (b) The relevant base currency (the "Base Currency") is: [specify]
- (c) The relevant subject [specify]  
[currency/currencies] ([each  
a]/[the] "Subject Currency")

[is/are]:

- (d) Weighting: [specify]
- (e) Price Source: [specify]
- (f) Disruption Event: Specified Maximum Days of Disruption will be equal to [●]/[five]  
*(If no Specified Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to five)*
- (g) Valuation Time: [specify]
- (h) Redemption Valuation Date: [specify] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]]
- (i) Provisions for determining redemption amount where calculation by reference to Formula is impossible or impracticable: [●]
- (j) Delayed Redemption on the Occurrence of an Additional Disruption Event: [Applicable/Not Applicable]  
*[if applicable:*  
Principal Protection Termination Amount:  
[Applicable/Not Applicable]
- (k) Averaging Date(s): [specify][Not Applicable] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]]
- (l) Strike Date(s): [specify][Not Applicable] [Currency Convention: [As per Foreign Exchange (FX) Rate-Linked Note Condition 7]/[Modified Following Currency Convention]/[Preceding Currency Convention]]
- (m) Optional Additional Disruption Events: [The following Optional Additional Disruption Events apply to the Notes:]  
  
[Increase Cost of Hedging]
- (n) Trade Date: [●]

33. **Underlying Interest Rate-Linked Redemption Notes:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Underlying Interest [specify]  
Determination Date(s):  
  
*(If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate1:")*
- (b) Manner in which the Underlying [Screen Rate Determination/ISDA Determination]  
Interest Rate is to be  
determined:
- (c) Screen Rate Determination: [specify]  
  
*(Either LIBOR, EURIBOR or other)*
- Underlying Reference [specify]  
Rate:  
  
*(which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR)*
  - Specified Time [specify]  
(Underlying):  
  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  - Relevant Screen Page:
- (d) ISDA Determination:
- Floating Rate Option: [specify]
  - Designated Maturity: [specify]
  - Reset Date: [specify]
- (e) Underlying Margin(s): [[+/-][●] per cent. per annum][Not Applicable]
- (f) Minimum Underlying Reference [[●] per cent. per annum][Not Applicable]  
Rate:
- (g) Maximum Underlying [[●] per cent. per annum][Not Applicable]  
Reference Rate:  
  
*(If more than one Underlying Interest Rate is to be determined, include the following language: "Underlying Interest Rate2:" and repeat items (a) to (g).)*  
  
*Repeat for each Underlying Interest Rate.)*

34. **Equity Index-Linked Redemption** [Applicable/Not Applicable]  
**Notes:**

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Equity Index/Basket of Equity Indices: [●]
- [The [●] Index is a Composite Index.]<sup>8</sup>
- (b) Index Currency: [specify]
- (c) Screen Page: [specify]
- (d) Specified Maximum Days of Disruption: [As per the Conditions][specify] Scheduled Trading Days]
- (e) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- [Modified Postponement]
- (Only applicable if Modified Postponement is applicable as an Averaging election)*
- [Specified Maximum Days of Disruption will be equal to: [●]/[eight]]
- (If no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (f) Redemption Valuation Date: [specify]
- (g) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable].]
- [In the event that an Observation Date is a Disrupted Date,[Omission/Postponement/Modified Postponement] [the provisions of Schedule 5] will apply.]
- (h) Observation Period: [specify/Not Applicable]
- (i) Exchange Business Day: [(All Indices Basis)/(Per Index Basis)/(Single Index Basis)]
- (standard election is All Indices Basis)*
- (j) Scheduled Trading Day: [(All Indices Basis)/(Per Index Basis)/(Single Index Basis)]
- (must match election made for Exchange Business Day)*
- (k) Exchange(s) and Index (i) the relevant Exchange[s] [is/are] [●]; and

<sup>8</sup>

Specify each Composite Index (if any).

Sponsor:

- (ii) the relevant Index Sponsor is [●].
- (l) Related Exchange: [specify/All Exchanges]
- (m) Weighting: [Not Applicable/The Weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in the case of Index Linked Notes]/[specify]. *(N.B. Only applicable in relation to Cash Settled Notes relating to a Basket of Indices)*
- (n) Valuation Time: [Scheduled Closing Time]/[Any time [on the relevant Settlement Price Date] / [during the Observation Period.] [[●], being the time specified on the relevant Settlement Price Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] *(N.B. If no time specified, the Valuation Time will be the Scheduled Closing Time)*
- [As per the Conditions]/[●] being the time specified on the Valuation Date or an Averaging Date or Observation Date as the case may be, for the calculation of the Settlement Price.] *(N.B. If no time specified, the Valuation Time will be as per the Conditions)*
- (o) Index Correction Period: [As per Equity Index Linked Note Condition 7/[specify]]
- (p) Optional Additional Disruption Events:
- (i) [The following Optional Additional Disruption Events apply to the Notes:]
- (Specify each of the following which applies)*
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Loss of Stock Borrow]
- Trade Date: [●]
- (ii) [[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant security] is [●].]
- (N.B. Only applicable if Loss of Stock Borrow is applicable)]*
- (iii) [[The Initial Stock Loan rate in respect of [specify in relation to each relevant security] is [●].]
- (N.B. only applicable if Increased Cost of Stock Borrow is applicable)]*
- (iv) Delayed Redemption on the Occurrence of

Additional Disruption Event and/or Optional  
Additional Disruption Event: [Applicable/Not  
Applicable]

[if applicable:

Principal Protected Termination Amount:  
[Applicable/Not Applicable]]

- (q) Market Disruption: Specified Maximum Days of Disruption will be equal to  
[●]/[eight]

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

- (r) Delayed Redemption on the Occurrence of Index  
Adjustment Event: [Applicable/Not Applicable]  
[if applicable:

Principal Protected Termination Amount: [Applicable/Not  
Applicable]]

### 35. Early Redemption Amount

- (a) Early redemption for taxation reasons and method of  
calculating the same (if required or if different from that set out  
in the Conditions): [Applicable/Not Applicable/As per Condition 7.2 for Euro  
Notes and Condition 6.2 for Luxembourg Notes]  
*(If Not Applicable, delete the remaining sub paragraphs of  
this paragraph and insert "do not apply" in paragraph 43)*

- (i) [Early Redemption Amount per Calculation  
Amount payable on  
redemption: [[100][●] per cent. of its nominal amount][Market Value  
less Costs][*specify other/Not Applicable*]]

Minimum Notice Period: [*insert period*]

Maximum Notice Period: [[*insert period*]/Not  
Applicable]]

- (ii) Method of calculating (if required or if  
different from that set out in the Conditions): [Applicable/Not Applicable/As set out in paragraph  
35(a)(i) above]  
[*specify other method/arrangements*]

- (b) Early redemption on event of default and method of  
calculating the same (if required or if different from that set out  
in the Conditions): [Applicable/Not Applicable/As per Condition 10 for Euro  
Notes and Condition 9 for Luxembourg Notes]  
*(If not applicable, delete the remaining sub-paragraphs of  
this paragraph)*

- (i) Early Redemption Amount per Calculation  
Amount payable on [100][●] per cent. of its nominal amount][Market Value  
less Costs] [*specify other*]

redemption:

- (ii) Method of calculating [Applicable/Not Applicable/As set out in paragraph (if required or if 35(b)(i) above] different from that set [specify other method/arrangements] out in the Conditions):
- (c) Early redemption for illegality [Applicable/Not Applicable] and other reasons (specify) (If not applicable, delete the remaining sub-paragraphs of and/or the method of calculating this paragraph) the same (if required or if different from that set out in the Conditions):
  - (i) Early Redemption [Applicable/Not Applicable] Amount per Calculation [[100][●] per cent. of its nominal amount][Market Value Amount payable on less Costs] [specify amount] redemption:
  - (ii) Method of calculating [Applicable/Not Applicable] (if required or if [specify method/arrangements] different from that set out in the Conditions):

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

36. (a) If Euro Notes whether the Notes [Bearer/Registered] are Bearer Notes or Registered Notes:

- (b) Form of the Notes: **[Bearer Notes]**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [at any time/only upon an Exchange Event].]

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

[Permanent Global Note exchangeable for Definitive Notes at any time/only upon an Exchange Event.]]

*(N.B. the exchange at any time option should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "€[100,000] and integral multiples of €[1,000] in excess thereof up to and including €[199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Global Notes exchangeable for Definitive Notes.)*

### **[Registered Notes]**

[Regulation S Global Certificate (US\$/€ [ ] nominal



amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

37. [New Global Note][*delete if Registered Notes*]/[Issued under the new safekeeping structure][*delete if Bearer Notes*]: [Yes/No] *[If "No" is specified, ensure that "Not Applicable" is specified for Eurosystem eligibility in the relevant paragraph of section 7 of Part B of this Pricing Supplement, and if "Yes" is specified, ensure that the appropriate specification is made thereto in respect of Eurosystem eligibility.]*
38. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details.] *[Note that this item relates to the date of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which item 17(j) relates]*
39. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made /No.]
40. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
41. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
42. Redenomination, renominalisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [4 *[if Euro Notes]*]/[3 *[if Luxembourg Notes]*]/[annexed to this Pricing Supplement] apply]
43. Taxation: The provisions in Condition [8 *[if Euro Notes]*]/[7 *[if Luxembourg Notes]*] [do not] apply
44. Other terms or special conditions [Not Applicable/give details]

[In addition to any other requirements of Condition [14 *[if Euro Notes]*], [13 *[if Luxembourg Notes]*], notices to holders [will] also be published (solely for information purposes) on the website of [the Issuer/[●]].]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[ ]] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

1. **LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this should not be a regulated market] with effect from [●].] [Not Applicable]
2. **RATINGS**  
  
Ratings: [Not Applicable] The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency]  
  
*(The above disclosure is only required if the rating of the Notes differ from those in the Base Prospectus)*
3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**  
  
Save for any fees payable to the [Managers/Dealers][, and as discussed in "Potential Conflicts of Interest" and "Subscription and Sale" so far as the Issuer is aware], no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. – *Amend as appropriate if there are other interests*
4. **[USE OF PROCEEDS AND] ESTIMATED NET PROCEEDS**  
  
[Use of Proceeds [●]]  
  
*(Insert only if the use of proceeds differ from those in Base Prospectus)*  
  
Estimated Net Proceeds [●]
5. **[(Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes) and Equity Index-Linked Notes) – PERFORMANCE OF [INFLATION INDEX/FOREIGN EXCHANGE (FX) RATE/EQUITY INDEX] – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING REFERENCE (TO BE INCLUDED IF REQUIRED FOR ANY LISTING)]**
  - (a) [Information on past and further performance of the [inflation index/foreign exchange rate/interest rate/equity index] and its volatility:] [Indicate where such information can be obtained.]
  - (b) [Example of how the value of the investment is affected by the value of the underlying:] [specify]

- (c) [Name of inflation index/foreign exchange rate/equity index]:] [specify]
- (d) [Information on inflation index/foreign exchange rate/equity index]:] [specify]
- (e) [Description of the interest rate:] [specify]
- (f) [The underlying is a basket of underlyings:] [disclosure of relevant weightings of each underlying in the basket]

## 6. DISTRIBUTION

- (a) Method of distribution: [Syndicated][Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/give names]
- (c) Stabilisation Manager (if any): [Not Applicable/give name]
- (d) If non-syndicated, name of relevant Dealer: [give name]
- (e) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
- (f) Additional U.S. Federal Income Tax Considerations: [The Notes are [not] Specified Securities for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986. [Additional information regarding the application of Section 871(m) to the Notes will be available at [give name(s) and address(es) of Issuer contact]. [The Issuer will arrange for withholding under Section 871(m) to be imposed on any dividend equivalent payment at a rate of 30 per cent.]]]

*(If the Notes are Specified Securities, include the "Additional information" sentence and provide the appropriate contact information at the Issuer. N.B. Include the option above, completed as appropriate, where (a) the Notes do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities or (b) the Section 871(m) determination has been made by the time the Pricing Supplement is finalised (in which case, the determination will have been made either (i) on the pricing date, if this falls 14 days or fewer before the issue date or (ii) on the issue date, if the pricing date falls more than 14 days before the issue date. Otherwise, include the following option, completed as appropriate:*

[As at the date of this Pricing Supplement, the Issuer has not determined whether the Notes are Specified Securities for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986; however, indicatively it considers that they will [not] be Specified Securities for these purposes. **This is indicative information only subject to change and if the Issuer's final determination is different then it will give notice of such determination.** Please contact [give name(s) and address(es) of Issuer contact] for further information regarding the application of Section 871(m) to the Notes .]]

*(The Notes will not be Specified Securities if they (i) are issued prior to 1 January 2018 and provide a return that differs significantly from the return on an investment in the underlying or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes are issued on or after 1 January 2018 and reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis would be required.)*

[Payments on the Specified Securities are calculated by reference to [Net Dividends/Net Total Returns]. By purchasing a Specified Security, the parties agree that in calculating the relevant payment amount the Issuer has withheld, and the purchaser is deemed to have received 30 per cent. of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant [U.S. securities/U.S. dividend paying index components]. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

[For this purpose, "**Net Dividends**" means the dividends paid by an issuer of a security net of 30 per cent. U.S. federal withholding tax.]

[For this purpose "**Net Total Returns**" means the net total return of the U.S. source dividend paying components, as calculated by the Index Sponsor, of an index that reinvests U.S. source dividends paid by an issuer of a security that is a component of the index net of 30 per cent. U.S. withholding tax on such U.S. source dividends.]]

- (g) Additional selling restrictions: [Not Applicable/give details]
- (h) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable ]

*(If the offer of the Notes is concluded prior to 1 January*

2018, or on and after that date the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)

## 7. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]
- (b) Common Code: [●]
- (c) Intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable]
- [[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper[, and registered in the name of a nominee of one of Euroclear or Clearstream, Luxembourg acting as common safekeeper,][include this text for registered notes]] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of Euroclear or Clearstream, Luxembourg acting as common safekeeper,][include this text for registered notes]]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- (d) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/ (give number(s))]
- (e) Delivery: Delivery [against/free of] payment
- (f) Names and addresses of additional Paying Agent(s) (if any): [●]

- (g) Deemed delivery of clearing system notices for the purposes of Condition [14.1(a) (*in the case of Euro Notes*)]/[13.1 (*in the case of Luxembourg Notes*)]: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.

## TERMS AND CONDITIONS OF THE NOTES

*This section applies to both Exempt Notes and Non-exempt Notes.*

### TERMS AND CONDITIONS OF THE EURO NOTES

*The following are the Terms and Conditions of the Euro Notes (the "**Euro Notes**") which will be applicable to each Euro Note. Each Euro Note whether in definitive, global, bearer or registered form will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Euro Notes may specify other terms and conditions which shall complete or, (in the case of Exempt Securities only) to the extent so specified or to the extent inconsistent with the following Terms and Conditions, modify, supplement or replace the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Euro Note whether in definitive, global, bearer or registered form. Reference should be made to "Form of Final Terms for Non-Exempt Notes" and "Form of Pricing Supplement for Exempt Notes" above for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Euro Notes.*

This Note is one of a Series (as defined below) of Notes issued by BGL BNP Paribas ("**BGL**" and the "**Issuer**") either directly or, in the case of Exempt Notes only and if so specified in the applicable Pricing Supplement, acting through a specified branch (the "**Specified Branch**"), pursuant to the Agency Agreement (as defined below).

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

- (a) in relation to any Notes in bearer form ("**Bearer Notes**") represented by a temporary global Note in CGN form or in NGN form or permanent global Note in CGN form or in NGN form (in each case as defined below) (each a "**Global Note**") or in relation to any Notes in registered form ("**Registered Notes**") represented by a global certificate (a "**Global Certificate**") which may be issued under the CSS or the NSS (in each case as defined below), units of the lowest Specified Denomination in the Specified Currency;
- (b) definitive Notes in bearer form ("**Definitive Notes**") issued in exchange for a Global Note;
- (c) definitive registered Notes represented by individual certificates ("**Individual Certificates**") issued in exchange for a Global Certificate; and
- (d) any Global Note or Global Certificate.

Each Global Note which is not intended to be issued in new global note ("**NGN**") form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or a depositary for any other relevant clearing system and each Global Note which is intended to be issued in NGN form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and Clearstream, Luxembourg (together the "**ICSDs**").

Registered Notes represented by a Global Certificate which are not intended to be issued under the a new safekeeping structure ("**NSS**") (such Global Certificate being issued under the classic safekeeping structure or "**CSS**"), as specified in the relevant Final Terms, will be deposited on the relevant issue date with and will be registered in the name of, or in the name of a nominee for a common depositary on behalf of Euroclear and Clearstream, Luxembourg and/or a depositary for any other relevant clearing system as may be agreed between the Issuer and the Relevant Dealer. Registered Notes represented by a Global Certificate which are intended to be issued under the NSS, as specified in the relevant Final Terms, on or around the relevant issue



date, will be deposited with and registered in the name of one of ICSDs acting as common safekeeper for the ICSDS.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement dated on or about 20 June 2017 (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank in relation to all Notes (the "**Agent**", which expression shall include any successor agent) and BNP Paribas Securities Services, Luxembourg Branch as registrar (the "**Registrar**", which expression shall include any successor registrar or any alternative Registrar specified in the applicable Final Terms) and the other parties specified therein to be paying agents (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and transfer agents (together, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes (as defined below)) attached to or endorsed on this Note which complete or (in the case of Exempt Notes only) supplement these terms and conditions (the "**Conditions**" which term shall include one or more of the schedules (each a "**Schedule**") to these terms and conditions containing additional terms and conditions relating to (i) payouts (as set out at Schedule 1 (the "**Payout Conditions**")), (ii) inflation index-linked notes (as set out at Schedule 2 (the "**Inflation Index-Linked Note Conditions**")), (iii) foreign exchange (FX) rate-linked notes (as set out at Schedule 3 (the "**Foreign Exchange (FX) Rate-Linked Conditions**")), (iv) underlying interest rate-linked notes (as set out at Schedule 4 (the "**Underlying Interest Rate-Linked Conditions**")) or (v) equity index-linked notes (as set out at Schedule 5 (the "**Equity Index-Linked Conditions**"))) and, in the case of a Note which is 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 (an "**Exempt Note**"), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the "applicable Final Terms" or "relevant Final Terms" are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in these terms and conditions to "**relevant Final Terms**" or "**applicable Final Terms**" shall be deemed to include a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement", as the case may be, where relevant.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

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

Any reference herein to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the bearer of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to Notes represented by a Global Note or by a Global Certificate, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons, and shall unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches

of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the issue date, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The holders of Euro Notes and the holders of any Receipts and Coupons relating thereto are entitled to the benefit of the Deed of Covenant such deed, as modified and/or supplemented and/or restated from time to time (the "**Deed of Covenant**") dated on or about 20 June 2017 and made by the Issuer. The original of the Deed of Covenant is held by the Agent.

Copies of the Agency Agreement are available for inspection only and copies of the Deed of Covenant are available for inspection, and may be obtained free of charge, during normal business hours at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms in respect of Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If the Notes are to be admitted to trading on the regulated market of Euronext Brussels, the applicable Final Terms will be published on the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)). Copies of Final Terms (or Pricing Supplement, as the case may be) may also be obtained from BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent in 60 avenue J.F. Kennedy, L-1855, Luxembourg, save that, if this Note is neither listed or admitted to trading on a stock exchange or quotation system nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive the applicable Pricing Supplement will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to his identity. In the case of Notes listed on the Luxembourg Stock Exchange, a copy of the applicable Final Terms may be obtained free of charge at the office of the Luxembourg Listing Agent. In the case of Notes listed and admitted to trading on Euronext Brussels, a copy of the applicable Final Terms may be obtained free of charge at the office of BNP Paribas Fortis SA/NV. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

## **1. FORM, DENOMINATION AND TITLE**

The Notes are either in bearer form or in registered form and, in the case of Definitive Notes or Individual Certificates, serially numbered, in the currency (the "**Specified Currency**") and denominations (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Index-Linked Interest Note, a Foreign Exchange (FX) Rate-Linked Interest Note, an Underlying Interest Rate-Linked Interest Note, an Equity Index-Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Index-Linked Interest Note, a Foreign Exchange (FX) Rate-Linked Interest Note, an Underlying Interest Rate-Linked Interest Note, an Equity Index-Linked Interest Note, a Variable Interest Rate Note or a combination of any of the foregoing, depending upon the Interest Basis as shown in the applicable Final Terms.

Unless this Note is an Exempt Note, this Note may be redeemable at par or at such other amount as specified in the applicable Final Terms, an Inflation Index-Linked Redemption Note, a Foreign Exchange (FX) Rate-Linked Redemption Note, an Equity Index-Linked Redemption Note, an Instalment Note or any combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be an Inflation Index-Linked Redemption Note, a Foreign Exchange (FX) Rate-Linked Redemption Note, an Underlying Interest Rate-Linked Redemption Note, an Equity Index-Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note, a Variable Redemption Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes or do not otherwise bear interest in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable. Registered Notes do not have Receipts or Coupons attached on issue.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") in accordance with the provisions of the Agency Agreement. The Issuer, any Paying Agent, any Transfer Agent and the Registrar will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes (subject to the provisions of the Deed of Covenant) but, in the case of any Global Note, without prejudice to the provisions set out below. The provisions relating to the holding of a note register at the registered office of the issuer company contained in article 84 of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies, as amended (*loi du 10 août 1915 concernant les sociétés commerciales, telle qu'elle a été modifiée*) (the "**Luxembourg Company Law**") shall not apply to the Registered Notes.

A Permanent Global Note will be exchangeable for Definitive Notes either (i) only (a) upon the happening of any of the events defined in Condition 10 as Events of Default or (b) if either Euroclear or Clearstream, Luxembourg, or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so (other than in the case of a merger or consolidation of Euroclear and Clearstream, Luxembourg) and no alternative clearing system is available or (c) the Issuer has or will become subject to adverse tax consequences to which the Issuer would not be subject were the Notes represented by the Permanent Global Note in definitive form (each such event, an "**Exchange Event**") or (ii) if the Issuer so elects, at any time. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent. Any physical delivery of Definitive Notes will be made outside Belgium.

A Global Certificate will be exchangeable for Individual Certificates either (i) upon the happening of any of the events defined in Condition 10 as "Events of Default", (ii) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and does in fact do so and no alternative clearing system is available or (iii) if the Issuer so elects (each an "**Exchange Event**"). The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Certificate) may

give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than five Business Days of the delivery to the Registrar of such information as is required to complete and deliver the relevant Individual Certificates upon presentation of the Global Certificates at the office of the Registrar. Any such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In the event that (a) following an Exchange Event a Global Note is not duly exchanged for definitive Notes by the day described above or (b) a Global Note (or any part hereof) has become due and repayable in accordance with the Conditions or the Maturity Date has occurred and, in either case, payment in full of the amount due in respect thereof has not been made to the bearer in accordance with the provisions of the Global Note, then, from 8.00 p.m. (Luxembourg time) on (in the case of (a) above) the relevant day or (in the case of (b) above) such due date, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, shall automatically acquire, under the Deed of Covenant, against the Issuer all those rights which such holders would have had if, immediately before the bearer ceased to have rights under the Global Note, they held and beneficially owned duly executed and authenticated Definitive Notes (and any related receipts and coupons) in an aggregate nominal amount equal to the nominal amount of the Notes credited to their accounts with Euroclear and/or Clearstream, Luxembourg.

If:

- (a) following an Exchange Event, Individual Certificates have not been issued and delivered by 8.00 p.m. (Luxembourg time) on the day provided above; or
- (b) any of the Notes evidenced by the Global Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount due in respect thereof has not been made to the holder of the Global Certificate on the due date for payment in accordance with the terms of the Global Certificate,

then, at 8.00 p.m. (Luxembourg time) on such day (in the case of (a) above) or at 8.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as having interests in such Global Certificate credited to their account with Euroclear and/or Clearstream Luxembourg, as the case may be, (each a "**Relevant Account Holder**") shall acquire the right under the Deed of Covenant of enforcement against the Issuer, to compel the Issuer to perform its obligations to the holder of the Global Certificate in respect of the Notes represented by the Global Certificate, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes as if such Notes had been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions ("**Direct Rights**"). The Direct Rights shall be without prejudice to the rights which the holder of the Global Certificate may have under the Global Certificate or otherwise. Payment to the holder of the Global Certificate in respect of any Notes represented by the Global Certificate shall constitute a discharge of the Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment.

Upon any exercise of Direct Rights by a Relevant Account Holder in respect of a Global Certificate, such Relevant Account Holder shall, as soon as practicable, give notice of such exercise to the Noteholders in the manner provided for in the Conditions or the Global Certificate for notices to be given by the Issuer to Noteholders.

For so long as any of the Notes is represented by a Global Note or a Global Certificate held by or 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 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 Agent, any other Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note or registered holder of the relevant Global Certificate shall be treated by the Issuer, the Agent, any other Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes in accordance with, and subject to the terms of, the relevant Global Note or Global Certificate and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Interests in a Global Note or a Global Certificate will, so long as the Global Note or Global Certificate is being held by or on behalf of Euroclear and/or Clearstream, Luxembourg, be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or of Clearstream, Luxembourg, as the case may be. References 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 as may be approved by the Issuer, the Agent and, if the Notes are intended to be listed and admitted to trading, recognised by the relevant Stock Exchange.

## **2. STATUS OF THE NOTES**

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 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 Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 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).

## **3. NEGATIVE PLEDGE IN RESPECT OF NOTES**

The Issuer undertakes that, so long as any of the Notes, the Receipts or the Coupons relating to them remain outstanding (as defined in the 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, Receipts 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 Agency Agreement) of the Noteholders. In this Condition 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.

## 4. REDENOMINATION

### 4.1 Redenomination

Where redenomination is specified in the applicable Final Terms, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, 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 nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and admitted to trading 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 nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee 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 an Interest Payment Date, it will be calculated by applying the Rate of Interest to the Calculation Amount, 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 multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount; and
- (g) such other changes shall be made to the Conditions as the Issuer may decide, after consultation with the Agent and as may be specified in the notice or (in respect of Exempt Notes) set out in the applicable Pricing Supplement, to conform them to conventions then applicable to instruments denominated in euro.

## 4.2 Definitions

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

**"Calculation Amount"** has the meaning given in the relevant Final Terms;

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

**"euro"** means the lawful 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 Condition 4.1 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.

## 5. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes ("**Fixed Rate Notes**"), Floating Rate Notes ("**Floating Rate Notes**"), Inflation Index-Linked Interest Notes ("**Inflation Index-Linked Interest Notes**"), Foreign Exchange (FX) Rate-Linked Interest Notes ("**Foreign Exchange (FX) Rate-Linked Interest Notes**"), Underlying Interest Rate-Linked Interest Notes ("**Underlying Interest Rate-Linked Interest Notes**") and/or Equity Index-Linked Interest Notes ("**Equity Index-Linked Interest Notes**"), do not accrue interest ("**Non-Interest Bearing**") or, in the case of Exempt Notes only, Variable Interest Rate Notes ("**Variable Interest Rate Notes**") or whether a different interest basis applies.

### 5.1 Interest on Fixed Rate Notes

This Condition 5.1 applies to Fixed Rate Notes only.

The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity

Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount and the Day Count Fraction.

Each Fixed Rate Note bears interest on its nominal amount (or, in the case of Exempt Notes only, if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date.

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

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

Except where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms in respect of a Fixed Interest Period, interest shall be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction (as defined in Condition 5.2(d)), 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 multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

In these Conditions:

"**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.

## **5.2 Interest on Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index-Linked Interest Notes and Variable Interest Rate Notes**

This Condition 5.2 applies to Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index-Linked Interest Notes and/or Variable Interest Rate Notes.

In respect of Floating Rate Notes, the applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page. Where an entity other than the Agent will calculate the amount of interest due, references in this Condition 5.2 to the Agent shall be deemed to be references to such other entity, where applicable.

In respect of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or Equity Index-Linked Interest Notes, the applicable Final Terms contains provisions applicable to the determination of the relevant rate of



interest and must be read in conjunction with this Condition 5.2 and any additional terms and conditions specified as applicable in the relevant Final Terms for full information on the manner in which interest is calculated on Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or Equity Index-Linked Interest Notes.

In the case of Inflation Index-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Index and Index Sponsor, any Related Bond, relevant Determination Dates, provisions relating in determination of the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Foreign Exchange (FX) Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Base Currency, any Subject Currencies, any applicable Weighting, provisions relating in determination of the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Underlying Interest Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the Underlying Interest Determination Dates, whether ISDA Determination or Screen Rate Determination applies to the determination of the underlying interest rate and, (a) where ISDA Determination applies the applicable Floating Rate Option, Designated Maturity and Reset Date or (b) where Screen Rate Determination applies, the Underlying Reference Rate, the Specified Time (Underlying) and the Relevant Screen Page and, in either case, provisions relating in determination of the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Equity Index-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Index, Index Currency, Screen Page, Exchange(s) and Index Sponsor, any applicable Weighting, provisions relating to determination of the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

Variable Interest Rate Notes will be issued as Exempt Notes only, the terms of which will be specified in the applicable Pricing Supplement.

(a) *Interest Payment Dates*

Each Floating Rate Note, Inflation Index-Linked Interest Note, Foreign Exchange (FX) Rate-Linked Interest Note, Underlying Interest Rate-Linked Interest Note, Equity Index-Linked Interest Note and in the case of Exempt Notes only, Variable Interest Rate Note bears interest on its outstanding nominal amount (or, in the case of Exempt Notes only, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each interest period (an "**Interest Period**", which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

(b) *Rate of Interest*

The Rate of Interest or Rate payable from time to time in respect of Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index-Linked Interest Notes and, in the case of Exempt Notes only, Variable Interest Rate Notes, will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

If the Interest Rate or Rate is specified as being Floating Rate and ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest or Rate is to be determined, the 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) specified in the applicable Final Terms. For the purposes of this Condition 5.2(b)(i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) as published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

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

For the purposes of this Condition 5.2(b)(i), "**Floating Rate**", "**Calculation Agent**" for a swap transaction, "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(ii) *Screen Rate Determination for Floating Rate Notes*

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

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

(expressed as a percentage rate per annum) for the Reference Rate (being either the London interbank offered rate ("**LIBOR**") or the Euro-zone interbank offered rate ("**EURIBOR**"), as specified in the applicable Final Terms) 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 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 Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if in the case of sub-Condition (ii)(A) above, no such offered quotation appears or, in the case of sub-Condition (ii)(B) above, fewer than three such offered quotations appear, in each case as at the relevant time, the Agent shall request the principal London office of each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) (or, in the case of any other Reference Rate, the time specified in the applicable Pricing Supplement) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest or Rate, as the case may be, for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest or Rate for the relevant Interest Period shall be the rate per annum which the 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 Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) (or, in the case of any other Reference Rate, the time specified in the applicable Pricing Supplement) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Euro-zone interbank market (if the Reference Rate is EURIBOR) or the interbank market of the Relevant Financial Centre (if any other Reference Rate is used (in the case of Exempt Notes only)) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the 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 Reference Rate, at which, at approximately 11.00 a.m. (London time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Euro-zone interbank market (if the Reference Rate is EURIBOR) or the interbank market of the Relevant Financial Centre (if any other Reference Rate is used (in the case of Exempt Notes only)) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest or Rate, as the case may be, cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest or Rate, as the case may be, shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In the case of Exempt Notes only, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than the LIBOR or EURIBOR, the Rate of Interest or Rate in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(c) *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 or Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Rate of Interest or Rate, as the case may be, for such Interest Period shall be such Minimum Interest Rate.

Unless otherwise specified in the applicable Final Terms, the Minimum Interest Rate shall be deemed to be zero.

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

(d) *Determination of Rate of Interest, Rate and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, or any other party responsible for calculating the Rate(s) of Interest and Interest Amount(s) will at, or as soon as practicable after, each time at which the Rate of Interest and/or Rate is to be determined, determine the Rate of Interest and/or Rate, as the case may be, for the relevant Interest Period. In the case of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index-Linked Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes in respect of each Specified Denomination for the relevant Interest Period. Each such Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, 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 multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the applicable Final Terms:

(i) if "**Actual/Actual (ICMA)**" is so specified:

(A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of

days in such Regular Period and (b) the number of Regular Periods in any year; and

- (2) the actually number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;

where:

**"Regular Period"** means:

- (A) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (B) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (C) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;
- (ii) if "**Actual/Actual**" is so specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>2</sub> will be 30.

(e) *Notification of Rate of Interest and Interest Amounts*

The Agent and/or the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) will cause the Rate of Interest and each Interest Amount (except that if the Calculation Amount is less than the minimum Specified Denomination, the Agent and/or the party responsible for calculating the Interest Amount(s) shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination) for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any relevant stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day (where the expression "**Luxembourg Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business and settle payments in Luxembourg) after such determination. To the extent required by the rules of any stock exchange on which the relevant Floating Rate Notes or Inflation Index-Linked

Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes and/or Equity Index-Linked Interest Notes are for the time being listed and admitted to trading, the Issuer will also make available to Noteholders on request the Rate of Interest, Rate, Interest Amount, Interest Period and Interest Payment Date relating to each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will, to the extent required by the rules of the relevant stock exchanges, be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes and/or Equity Index-Linked Interest Notes are for the time being listed and admitted to trading and to the Noteholders in accordance with Condition 14.

(f) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agent, the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 5.3 Exempt Notes

This Condition applies to Exempt Notes only.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes, including but not limited to Variable Interest Rate Notes, shall be determined in the manner specified in the applicable Pricing Supplement.

(a) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(b) *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 in accordance with this Condition 5 on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

### 5.4 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless such Note is redeemed early. If such Note is redeemed early (a) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (b) 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, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the monies payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## 5.5 General provisions applicable to interest

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

- (a) in any case where Interest Periods are specified in accordance with Condition 5.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (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 (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions:

**"Business Day"** means:

- (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 any Additional Business Centre (other than TARGET2) specified in the applicable Final Terms;
- (ii) if TARGET2 is specified as an Additional Business Centre in the applicable Final Terms, a TARGET Settlement Day; and
- (iii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (B) in relation to any sum payable in euro, a TARGET Settlement Day.



"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

## **6. PAYMENTS**

### **6.1 Method of Payment**

Subject as provided below:

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

Payments in respect of the Notes will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) (b) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "**Code**") ("**871(m) Withholding**") and (c) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto. In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

### **6.2 Presentation of Notes, Receipts and Coupons**

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender or, in the case of part payment of any sum due, endorsement of Definitive Notes, and payments of interest in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender or, in the case of part payment of any sum due, endorsement of Coupons, in each case to or to the order of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any), other than the final instalment, in respect of Definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above against presentation and surrender of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender or, in the case of part payment of any sum due, endorsement of the relevant Definitive Note. Each Receipt must be presented for payment of the

relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Long Maturity Notes (as defined below) and save as provided in Condition 6.5 below), should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

### **6.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note (against presentation or surrender, as the case may be, of such Global Note if the Global Note is not intended to be issued in NGN form) to or to the order of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made, (a) in the case of a Global Note in CGN form, be made on such Global Note by the Paying Agent to which it was presented and (b) in the case of a Global Note in NGN form, in the records of the relevant ICSD upon the instruction of the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

## 6.4 Payments in respect of Registered Notes

### (a) Payments in respect of Individual Certificates

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note in definitive 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 at the close of business on, in respect of Registered Notes in definitive form, 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 (a) a holder does not have a Designated Account or (b) the nominal amount of the Notes held by a holder is less than EUR250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note in definitive form will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**"). 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 nominal amount of such Registered Note.

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.

### (b) Payments in respect of Global Certificates

Notwithstanding any other provision of this Condition 6.4, each payment in respect of Registered Notes represented at such time by a Global Certificate will be made in the manner specified in Condition 6.4(a) above to the person appearing in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

Payment of the interest due in respect of each Registered Note in global form and instalments of principal other than the final instalment of nominal will be made in the same manner as payment of the nominal amount of such Registered Note.

### (c) General

None of the Issuer or 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 Notes

or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### **6.5 Specific provisions in relation to payments in respect of certain types of Exempt Notes**

Upon the date on which any Dual Currency Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

#### **6.6 General provisions applicable to payments**

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

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

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

#### **6.7 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Day**" means any day which is (subject to Condition 9):

- (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): (i) in the case of Notes in definitive form, the relevant place of presentation; and (ii) in any Additional Financial Centre (other than TARGET2) specified in the applicable Final Terms;
- (b) if TARGET2 is specified as an Additional Financial Centre in the applicable Final Terms, a TARGET Settlement Day; and

- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington respectively) or (ii) in relation to any sum payable in euro, a TARGET Settlement Day.

## 6.8 Interpretation of Principal and Interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.6); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

## 6.9 FX Settlement Disruption Event

If the Specified Currency specified in the applicable Final Terms is a Relevant Currency, FX Settlement Disruption will apply, and:

- (a) If, on the second Business Day prior to the Disrupted Payment Date, the Calculation Agent (in its sole and absolute discretion) determines that a FX Settlement Disruption Event has occurred and is subsisting, the Issuer shall give notice (a "**FX Settlement Disruption Notice**") to the Noteholders in accordance with Condition 14 as soon as reasonably practicable thereafter and, in any event, prior to the relevant Disrupted Payment Date.
- (b) Following the occurrence of a FX Settlement Disruption Event:
  - (A) the date for payment of the relevant Disrupted Amount will be postponed to (i) the second Business Day following the date on which the Calculation Agent determines that a FX Settlement Disruption Event is no longer subsisting or if earlier (ii) the date falling thirty (30) calendar days following the scheduled due date for payment of the relevant Disrupted Amount (the "**FX Settlement Disruption Cut-off Date**") which, for the avoidance of doubt, may be later than the scheduled Maturity Date; and

- (B) (i) in the case of (A)(i) above, the Issuer will pay the relevant Disrupted Amount, less FX Settlement Disruption Expenses (if any), in the Specified Currency specified in the applicable Final Terms or, in the case of (A)(ii) above, in lieu of paying the relevant Disrupted Amount in the relevant Specified Currency, the Issuer will, subject to sub-paragraph (c) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency (using the FX Settlement Disruption Exchange Rate for the relevant Disrupted Payment Date) and will pay the relevant Disrupted Amount, less FX Settlement Disruption Expenses (if any), in the FX Settlement Disruption Currency on the FX Settlement Disruption Cut-off Date.
- (c) If sub-paragraph (b)(A)(ii) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate in its sole and absolute discretion in accordance with the following procedures:
  - (A) the FX Settlement Disruption Exchange Rate shall be 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 Specified Currency/FX Settlement Disruption Currency exchange rates provided by two or more leading dealers on a foreign exchange market (as selected by the Calculation Agent) on such day; or
  - (B) if fewer than two leading dealers provide the Calculation Agent with bid and offer Specified Currency/FX Settlement Disruption Currency exchange rates on such day, the Calculation Agent shall determine the FX Settlement Disruption Exchange Rate in its discretion.
- (d) 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 6.9, and no additional interest will be paid in respect of any postponement of the date for payment.
- (e) For the avoidance of doubt, nothing contained in this Condition 6.9 shall prevent the Issuer and/or Calculation Agent from determining that an Additional Disruption Event and/or Optional Additional Disruption Event has occurred, in which case, the provisions of Inflation Index-Linked Note Condition 3.7 or Foreign Exchange (FX) Rate-Linked Note Condition 6, as applicable, shall prevail in the event of any conflict between such Conditions and this Condition 6.9.
- (f) For these purposes:

**"Disrupted Payment Date"** means the due date for payment of the relevant Interest Amount, Final Redemption Amount or such other amount payable (if any) (each a **"Disrupted Amount"**);

**"FX Settlement Disruption Currency"** means USD;

**"FX Settlement Disruption Event"** means the occurrence of an event which makes it unlawful, impossible or otherwise impracticable to pay any Disrupted Amount in the Specified Currency on the scheduled due date for payment;

**"FX Settlement Disruption Exchange Rate"** means the rate of exchange between the Specified Currency (as specified in the applicable Final Terms) and the FX Settlement Disruption Currency, determined by the Calculation Agent in accordance with the provisions of sub-paragraph (c) above;

**"FX Settlement Disruption Expenses"** means the sum of (i) the cost to the Issuer and/or its Affiliates of unwinding any hedging arrangements related to the Notes and (ii) any transaction, settlement or other costs and expenses arising directly out of the occurrence of a FX Settlement

Disruption Event or the related payment of the Disrupted Amount, all as determined by the Calculation Agent in its sole and absolute discretion; and

**"Relevant Currency"** means each of Emirati Dirhams ("AED"), Argentinian Pesos ("ARS"), Australian Dollars ("AUD"), Bermudan Dollars ("BMD"), Bulgarian Leva ("BGN"), Bahraini Dinars ("BHD"), Botswana Pula ("BWP"), Brazilian Reals ("BRL"), Canadian Dollars ("CAD"), Swiss Francs ("CHF"), Chilean Pesos ("CLP"), Czech Republic Korun ("CZK"), Danish Kroner ("DKK"), Great British Pounds ("GBP"), Ghanaian Cedis ("GHS"), Hong Kong Dollars ("HKD"), Croatian Kunas ("KRJ"), Hungarian Forints ("HUF"), Indonesian Rupiah ("IDR"), Israeli Shekels ("ILS"), Icelandic Krónur ("ISK"), Jordanian Dinars ("JOD"), Japanese Yen ("JPY"), Kenyan Shillings ("KES"), Kuwaiti Dinars ("KWD"), Kazakhstani Tenges ("KZT"), Lebanese Pounds ("LBP"), Moroccan Dirhams ("MAD"), Mauritian Rupees ("MUR"), Mexican Pesos ("MXN"), Malaysian Ringgits ("MYR"), Namibian Dollars ("NAD"), Nigerian Naira ("NGN"), Norwegian Kroner ("NOK"), New Zealand Dollars ("NZD"), Omani Riyals ("OMR"), Peruvian Nuevos Soles ("PEN"), Philippine Pesos ("PHP"), Polish Zloty ("PLN"), Qatari Riyals ("QAR"), Romanian Lei ("RON"), Russian Roubles ("RUB"), Saudi Riyals ("SAR"), Swedish Kroner ("SEK"), Singaporean Dollars ("SGD"), Thai Baht ("THB"), Tunisian Dinars ("TND"), Turkish Lira ("TRY") and South African Rand ("ZAR").

## **7. REDEMPTION AND PURCHASE**

### **7.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. The Final Redemption Amount in respect of each Note, will be an amount in the relevant Specified Currency equal to (i) the Calculation Amount multiplied by the Final Redemption Percentage, or (ii) the Final Payout, in each case as specified in the applicable Final Terms, provided that, if the product of the Final Payout is zero, no amount will be payable on redemption of the Note.

**"Final Redemption Percentage"** means the percentage specified in the applicable Final Terms.

### **7.2 Redemption for Tax Reasons**

The Notes will be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note, an Equity Index-Linked Note nor, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note,) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note, an Equity Index-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note), on giving not less than the minimum period nor more than the maximum period of notice to the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (a) on the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

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

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in paragraph 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **7.3 Redemption at the Option of the Issuer (Issuer Call)**

This Condition 7.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an Issuer Call. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 7.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum early redemption amount and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the applicable Optional Redemption Date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Early Redemption Amount or not more than the Maximum Early Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms. The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes or Individual Certificates, and 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), in the case of Redeemed Notes represented by a Global Note or Global Certificate, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Notes represented by Definitive Notes or Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 7 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes or Individual Certificates shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes or Individual Certificates outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note or Global



Certificate will be permitted or transfer of a Registered Note will be registered during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph 7.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

In the event of any such redemption, the Luxembourg Stock Exchange shall be notified of such redemption by the Issuer.

#### **7.4 Redemption at the Option of the Noteholders (Investor Put)**

This Condition 7.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an Investor Put. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 7.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If the relevant Note is in definitive form, to exercise the right to require redemption of the relevant Note, the holder of such Note must deliver such Note at the specified office of any Paying Agent (in the case of a Definitive Note) or the Registrar or any Transfer Agent (in the case of an Individual Certificate) at any time during normal business hours of such Paying Agent, such Transfer Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by the relevant Note or evidence satisfactory to the Paying Agent concerned that the relevant Note will, following delivery of the Put Notice, be held to its order or under its control; and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 11.

If the relevant Note is represented by a Global Note or a Global Certificate, as the case may be, to exercise the right to require redemption of a Note, the holder of the relevant Note must, within the notice period, give notice to the Agent (in the case of Global Notes) or the Registrar (in the case of Global Certificates) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any common depositary or common safekeeper for them, as the case may be, to the Agent by electronic means), in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where prior to the due date of redemption an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

## 7.5 Redemption for illegality

In the case of Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes and, in the case of Exempt Notes only, Variable Interest Rate Notes or a Variable Redemption Notes and unless, in the case of Exempt Notes only, otherwise specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on such date as the Issuer may notify to the Noteholders in accordance with Condition 14 if the Issuer determines that the performance by the Issuer of its obligations under the Notes has become unlawful under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.

Notes redeemed pursuant to this Condition 7.5 will be redeemed at the Early Redemption Amount referred to in paragraph 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

## 7.6 Early Redemption Amounts

For the purpose of paragraphs 7.2 and 7.5 above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows or as otherwise provided in the applicable Final Terms or the applicable Schedule:

- (a) in the case of a Note other than a Zero Coupon Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note, an Equity Index-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note, at the percentage of its nominal amount specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at 100 per cent. of its nominal amount;
- (b) in the case of an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note at its Early Redemption Amount specified in the applicable Final Terms, which may be a specified percentage of its nominal amount or, if Market Value less Costs is specified in the applicable Final Terms, at its fair market value (as determined by the relevant Calculation Agent) as at the date of such early redemption less the costs to the Issuer of unwinding or amending any related hedging arrangements provided that, if no Early Redemption Amount is specified, the Early Redemption Amount will be Market Value less Costs; and
- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

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

which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365);

- (d) or, in the case of any of (a) to (c) above, if such Note is an Exempt Note, at such other amount as specified in the applicable Pricing Supplement.

## **7.7 Instalment Notes**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption of an Instalment Note, the Early Redemption Amount will be determined pursuant to paragraph 7.6 above.

## **7.8 Specific redemption provisions applicable to certain types of Exempt Notes**

This sub-Condition applies to Exempt Notes only.

### *(a) Variable Redemption Notes and Dual Currency Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of a Variable Redemption Note or a Dual Currency Note and, in the case of a Variable Redemption Note, any other relevant terms may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 7.2, Dual Currency Notes may be redeemed only on an Interest Payment Date.

### *(b) Partly Paid Notes*

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

## **7.9 Purchases**

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes (to the extent permitted by law) may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent or the Registrar, as the case may be, for cancellation.

## **7.10 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph 7.1 above (together with, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

### 7.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph 7.1, 7.2, 7.3, 7.4 or 7.5 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused by the Issuer or its Agent, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph 7.6(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of Zero Coupon Notes have been paid; and
- (b) five days after the date on which the full amount of the monies payable in respect of such Zero Coupon Notes has been received by the Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## 8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by 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, and unless the provisions of this Condition 8 are specified not to apply in the relevant Final Terms, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders, Receiptholders or Couponholders 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, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment 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, 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 6.7); or
- (c) where such withholding or deduction is required pursuant to (i) an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof or (ii) Section 871(m) of the Code; or
- (d) where such withholding or deduction is required pursuant to the Luxembourg law of 23 December 2005 (as amended).

As used herein:

- (i) "**Tax Jurisdiction**" means the Grand Duchy of Luxembourg, the jurisdiction in which the Specified Branch (if any) is located (in the case of Exempt Notes only) 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

payments made by the Issuer of principal and interest on the Notes, Receipts and Coupons become generally subject; and

- (ii) 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 14.

## 9. PRESCRIPTION

The Notes (whether in Bearer or Registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the "**Involuntary Dispossession Act 1996**") requires that, in the event that (i) an opposition has been filed in relation to lost or stolen Notes in Bearer form, Receipts and Coupons and (ii) the Notes in Bearer form, Receipts and Coupons mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), any amount that is payable under the Notes in Bearer form, Receipts and Coupons, but has not yet been paid to the Noteholders or Couponholders, must be paid to the *Caisse de Consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Notes in Bearer form, Receipts and Coupons occurs.

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Note may give written notice to the 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 (as described in Condition 7.6), together with accrued interest (if any) to the date of repayment, without presentation, demand, protest or other notice of any kind:

- (a) 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
- (b) 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 Agent at its specified office by any Noteholder; or
- (c) 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
- (d) 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

- (e) (i) 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 (ii) if the Issuer makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or (iii) 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
- (f) 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 17 and has expressly and effectively assumed the obligations of the Issuer under the Notes); or
- (g) (i) 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 (ii) 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 (iii) 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 (g) 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).

## 11. **TRANSFER OF REGISTERED NOTES AND REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Transfers of beneficial interests in Registered Notes in global form will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Global Certificate 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 Global Certificate of the same Series 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 or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

Subject as provided below, Registered Notes in definitive form may be transferred in whole or in part (in the Specified Denomination or any integral multiple of the Specified Denomination) by the transferor depositing the relevant Individual Certificate for registration of the transfer of the Registered Note at the specified office of the Registrar or any Transfer Agent, with the form of transfer endorsed thereon duly completed and signed by or on behalf of the transferor and upon the Registrar or Transfer Agent after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar or Transfer Agent may prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or Transfer Agent will, within 5 Business Days (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) of receipt by it or receipt by it of notification from any other Transfer Agent of delivery to it, of any Individual Certificate in

respect of Registered Notes for transfer, deliver at its specified office to the transferee or (at the risk of the transferee) send by regular uninsured mail to such address as the transferee may request a new Certificate evidencing the Registered Note transferred. In the case of the transfer of part only of the Registered Notes evidenced by an Individual Certificate, a new Individual Certificate in respect of the Registered Notes not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

For the purposes of this Condition 11, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant city.

No exchange of a Bearer Note for a Registered Note or a Registered Note for a Bearer Note will be permitted.

No Noteholder may require the transfer of a Registered Note in definitive form to be registered:

- (a) during the period of fifteen days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note;
- (b) during the period of fifteen days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7.3;
- (c) after any such Note has been called for redemption; or
- (d) during the period of seven days ending on (and including) any Record Date.

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 or exchange.

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent, in the case of a Bearer Note, Receipt, Coupon or Talon, or the Registrar, in the case of a Registered Note, or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case in accordance with any applicable legal requirements and upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, exchanged for further coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Receipt, Coupon, Talon or further coupons as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12. AGENT, PAYING AGENTS, REGISTRAR AND TRANSFER AGENTS**

The names of the initial Agent, the other initial Paying Agents and the initial Registrar and Transfer Agent and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or the Registrar and/or appoint additional or other Paying Agents, Transfer Agents or another Registrar and/or

approve any change in the specified office through which any Paying Agent, Transfer Agent or the Registrar acts, provided that:

- (a) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent and/or a Transfer Agent with a specified office in such place as may be required by the rules and regulations of any relevant stock exchange (or other relevant authority);
- (b) there will at all times be an Agent;
- (c) there will at all times be a Registrar (so long as any Registered Notes are outstanding) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange; and
- (d) there will at all times be a Calculation Agent where the Conditions so require one.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6.5. Notice of any variation, termination, appointment or change in Paying Agents 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 thereof shall have been given to the Noteholders in accordance with Condition 14.

### **13. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

### **14. NOTICES**

#### **14.1 Bearer Notes**

##### *(a) Notes in global form*

So long as any Tranche of Bearer Notes is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or, in the case of Exempt Notes only, in the relevant Pricing Supplement, be deemed to be validly given if given by delivery of the relevant notice to the clearing system for communication by it to Noteholders in respect of the relevant Notes. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg. If such delivery is not practicable, notices will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe.

##### *(b) Notes admitted to listing, trading and/or quotation*

So long as any Bearer Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Holders of Notes of such Notes will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if:



- (i) in the case of Notes admitted to listing on the official list and to trading on the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the Luxembourg Stock Exchange and any applicable laws, rules or regulations so require), published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), and/or in such other manner as may be required by applicable laws, rules and regulations from time to time; and/or
- (ii) in the case of Notes admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, if published in such manner as may be required by the applicable laws, rules and regulations of that competent authority, stock exchange and/or quotable system from time to time, including publication on the website of the relevant competent authority, stock exchange or quotation system, if required by such laws, rules or regulations.

(c) *In any other cases*

Where both Condition 14.1(a) and Condition 14.1(b) are inapplicable, notices will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the Financial Times), or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe.

(d) *General*

For the avoidance of doubt, where both Condition 14.1(a) and Condition 14.1(b) apply, notices must be given in the manner specified in Condition 14.1(a) and Condition 14.1(b) in order to be deemed to be validly given.

Notices to Holders of Notes of any Exempt Notes may, at the sole discretion of the Issuer and solely for informational purposes, also be published on the website of the Issuer and/or of any other entity specified in the relevant Final Terms for this purpose.

Any notice will be deemed to have been validly given on the date and time of such notification (or, if required to be notified in more than one manner, on the first date on which notification shall have been made in all required manners).

Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice validly given to Holders of Notes in accordance with this Condition.

## 14.2 Registered Notes

All notices regarding Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holder(s) (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and/or quotation system and the rules of such stock exchange and/or quotation system (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority) or in such other manner as may be required by the rules or regulations of such stock exchange and/or quotation system.

Until such time as any Definitive Notes are issued, there may (provided that, in the case of Notes listed on a stock exchange or admitted to trading by another relevant authority, the rules of such

stock exchange or other relevant authority permit), so long as such Global Note or Global Certificate is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, be substituted for such mailing and such publication in the newspaper(s) mentioned above, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system for communication by them to the holders of the relevant Notes. Any such notice shall be deemed to have been given to the holders of the Notes and the Coupons on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system.

### **14.3 Notices by Noteholders**

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

## **15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

### **15.1 Meetings and Resolutions**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or by Noteholders holding not less than 10 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 quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths of the nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The provisions of articles 86 to 94-8 of the Luxembourg Company Law relating to the convening and conduct of meetings of bondholders shall not apply to the Notes.

## 15.2 Minor Modifications and Corrections

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

- (a) any modification of the Agency Agreement which is not prejudicial to the interest of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law 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 14 as soon as practicable thereafter.

## 15.3 Exclusion of termination condition (*condition résolutoire*)

For the avoidance of doubt, no Noteholder, Receiptholder or Couponholder may initiate proceedings against the Issuer based on article 98 of the Luxembourg Company Law.

## 16. 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 amount and date of the first payment of interest thereon and the date from which interest starts to accrue so that the same shall be consolidated and form a single Series with the outstanding Notes.

## 17. SUBSTITUTION

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 Receipts, 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, the Receipts 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 17 will release the Issuer or any previous substituted company from any and all further obligations in respect of the Notes and the Noteholders and Couponholders expressly consent hereto. The substitution shall be made by a deed poll (the "**Deed Poll**") to be substantially in the form scheduled to the Agency Agreement 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 (and, if applicable, the jurisdiction of any Guarantor (as set out under (b) below) with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant or by the country in which any Noteholder or Couponholder resides 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 Receipts, 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 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 Agent) from a lawyer or a firm of lawyers with a leading securities practice in each jurisdiction referred to in 17(a) above and in England that the Deed Poll, the Notes (and, where applicable, the Receipts, Coupons and Talons) represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Guarantee, of the Guarantor(s);
- (f) the substitution does not affect adversely any rating of the Notes by Moody's, S&P and Fitch (as applicable) or, if any such rating agency has ceased to 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 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 10 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 10 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 Deed Poll shall contain events of default in respect of the Notes in the same or analogous terms as Condition 10 relating to the Guarantor (except that references in Condition 10(a) to failure to pay principal and interest on the Notes shall be a reference to failure to pay under the Guarantee) and (b) a negative pledge in relation to the Guarantee in the form of Condition 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 (a) ascertaining the right to attend and vote at any meeting of the Noteholders and (b) the determination of how many Notes are outstanding for the purposes of Condition 15.

## **18. CURRENCY INDEMNITY**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## **19. ROUNDING**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

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

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

## **21. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

- 21.1 The Notes and the Receipts, Coupons and Talons relating to the Notes and all non-contractual obligations arising out of or in connection with them are governed by English law.
- 21.2 The Agency Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.
- 21.3 (a) Subject to Condition 21.3(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Agency Agreement, the Notes and the Receipts, Coupons and/or Talons relating to the Notes (including any dispute as to their existence, validity interpretation, performance, breach or termination or the consequences of their nullity) and any dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipts, Coupons and/or Talons (a "**Dispute**") and accordingly each of the Issuer, the Noteholders, the Receiptholders, the Couponholders and the Talonholders in relation to any Dispute submit to the exclusive jurisdiction of the English courts.

- (b) For the purposes of this Condition 21.3, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law the Noteholders, Receiptholders, Couponholders and Talonholders may, in respect of any Dispute or Disputes take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.
- (d) The Issuer appoints BNP Paribas, London Branch at 10 Harewood Avenue, London, NW1 6AA (Attention: the loan Administration Department) as its agent for service of process, in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of BNP Paribas, London Branch being unable or unwilling so to act, it will appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any proceeds will not invalidate service. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

*This section applies to both Exempt Notes and Non-exempt Notes*

## TERMS AND CONDITIONS OF THE LUXEMBOURG NOTES

*The following are the Terms and Conditions of the Luxembourg Notes (the "**Luxembourg Notes**") which will be applicable to each Luxembourg Note. Each Luxembourg Note, whether in definitive or global form, will have endorsed, and incorporated by reference into, thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Luxembourg Notes may specify other terms and conditions which shall complete or (in the case of Exempt Securities only), to the extent so specified or to the extent inconsistent with the following Terms and Conditions, modify, supplement or replace the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Luxembourg Note whether in definitive or global form. Reference should be made to "Form of Final Terms for Non-Exempt Notes" and "Form of Pricing Supplement for Exempt Notes" above for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Luxembourg Notes.*

This Note is one of a Series (as defined below) of Notes issued by BGL BNP Paribas ("**BGL**" and the "**Issuer**") either directly or, (in the case of Exempt Notes only) if so specified in the applicable Pricing Supplement, acting through a specified branch (the "**Specified Branch**"), pursuant to the Agency Agreement (as defined below).

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

- (a) in relation to any Notes in bearer form represented by a temporary global Note in CGN form or in NGN form or permanent global Note in CGN form or in NGN form (in each case as defined below) (each a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;
- (b) definitive Notes in bearer form ("**Definitive Notes**") issued in exchange for a Global Note; and
- (c) any Global Note.

Each Global Note which is not intended to be issued in new global note ("**NGN**") form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or a depositary for any other relevant clearing system and each Global Note which is intended to be issued in NGN form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and Clearstream, Luxembourg (together the "**ICSDs**").

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement dated on or about 20 June 2017 (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank in relation to all Notes (the "**Agent**", which expression shall include any successor agent) and the other parties specified therein to be paying agents (together, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes (as defined below)) attached to or endorsed on this Note which complete or (in the case of Exempt Notes only) supplement these terms and conditions (the "**Conditions**" which term shall include one or more of the schedules to these terms and conditions containing additional terms and conditions relating to (i) payouts (as set out at Schedule 1 (the "**Payout Conditions**")), (ii) inflation index-linked notes (as set out at Schedule 2 (the "**Inflation Index-Linked Note Conditions**")), (iii) foreign exchange (FX) rate-linked notes (as set out at Schedule 3 (the "**Foreign Exchange (FX) Rate-**

**Linked Conditions**")) or (iv) underlying interest rate-linked notes (as set out at Schedule 4 (the **"Underlying Interest Rate-Linked Conditions"**))) or (v) equity index-linked notes (as set out at Schedule 5 (the **"Equity Index-Linked Conditions"**))) and, in the case of a Note which is 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 (an **"Exempt Note"**), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **"applicable Final Terms"** or **"relevant Final Terms"** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in these terms and conditions to **"relevant Final Terms"** or **"applicable Final Terms"** shall be deemed to include a reference to "relevant Pricing Supplement" or "applicable Pricing Supplement", as the case may be, where relevant.

The expression **"Prospectus Directive"** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**"Coupons"**) and in the case of Notes which when issued in definitive form, have more than 27 interest payments remaining talons for further Coupons (**"Talons"**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts (**"Receipts"**) for the payment of the instalments of principal (other than the final instalment) attached on issue.

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

As used herein, **"Tranche"** means Notes which are identical in all respects (including as to listing and admission to trading) and **"Series"** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the issue date, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Agency Agreement are available for inspection only and the Final Terms applicable to this Note are available for inspection, and may be obtained free of charge, during normal business hours at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms in respect of Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If the Notes are to be admitted to trading on the regulated market of Euronext Brussels, the applicable Final Terms will be published on the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)). Copies of Final Terms (or Pricing Supplement as the case may be) may be obtained from BNP Paribas Securities Services, Luxembourg Branch as Agent and Luxembourg Listing Agent in 60 avenue J.F. Kennedy, L-1855 Luxembourg, save that, if this Note is neither listed or admitted to trading on a stock exchange or quotation system nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Pricing Supplement will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to his identity. In the case of Notes listed on the Luxembourg Stock Exchange, a copy of the applicable Final Terms may be obtained free of charge at the office of the Luxembourg Listing Agent. In the case of Notes listed and admitted to trading on Euronext Brussels, a copy of the applicable Final Terms may be obtained free of charge at the office of BNP Paribas Fortis SA/NV. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to



the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to the detailed provisions of the Agency Agreement.

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

## **1. FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of Definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denomination (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Index-Linked Interest Note, a Foreign Exchange (FX) Rate-Linked Interest Note, an Underlying Interest Rate-Linked Interest Note, an Equity Index-Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Index-Linked Interest Note, a Foreign Exchange (FX) Rate-Linked Interest Note, an Underlying Interest Rate-Linked Interest Note, an Equity Index-Linked Interest Note a Variable Interest Rate Note or a combination of any of the foregoing, depending upon the Interest Basis as shown in the applicable Final Terms.

Unless this Note is an Exempt Note, this Note may be redeemable at par or at such other amount as specified in the applicable Final Terms, an Inflation Index-Linked Redemption Note, a Foreign Exchange (FX) Rate-Linked Redemption Note, an Equity Index-Linked Redemption Note, an Instalment Note or any combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be an Inflation Index-Linked Redemption Note, a Foreign Exchange (FX) Rate-Linked Redemption Note, an Underlying Interest Rate-Linked Redemption Note, an Equity Index-Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note, a Variable Redemption Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes or do not otherwise bear interest in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes without prejudice to the provisions set out below.

A Permanent Global Note will be exchangeable for Definitive Notes either (as specified in the applicable Final Terms) either (i) only (a) upon the happening of any of the events defined in Condition 9 as "*Events of Default*," or (b) if either Euroclear or Clearstream, Luxembourg, or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact

do so and no alternative clearing system is available, or (ii) if the Issuer so elects. Any physical delivery of Definitive Notes will be made outside Belgium.

For so long as any of the Notes is represented by a Global Note held by or 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 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 Agent and any other Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

**Interests in a Global Note will, so long as the Global Note is held by or on behalf of Euroclear and/or Clearstream, Luxembourg, be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or of Clearstream, Luxembourg, as the case may be.**

**Under Luxembourg Law, owners of interests in a Global Note governed by Luxembourg Law will, subject to proof of ownership of such interest, be entitled to proceed directly against the Issuer either individually or, following the appointment of a Noteholder's representative, collectively through such representative, pursuant to articles 86 to 94-8 of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies, as amended.**

References 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 as may be approved by the Issuer, the Agent and, if the Notes are intended to be listed and admitted to trading, recognised by the relevant Stock Exchange.

## **2. STATUS OF THE NOTES**

The Notes and the Receipts and Coupons relating to them constitute 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 Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and, 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).

## **3. REDENOMINATION**

### **3.1 Redenomination**

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

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and admitted to trading 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 nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if Definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee 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 an Interest Payment Date, it will be calculated by applying the Rate of Interest to the Calculation Amount, 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 multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount; and
- (g) such other changes shall be made to the Conditions as the Issuer may decide, after consultation with the Agent and as may be specified in the notice or (in respect of Exempt Notes) set out in the applicable Pricing Supplement, to conform them to conventions then applicable to instruments denominated in euro

### 3.2 Definitions

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

**"Calculation Amount"** has the meaning given in the relevant Final Terms;

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

**"euro"** means the lawful 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 Condition 3.1 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.

## 4. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes ("**Fixed Rate Notes**"), Floating Rate Notes ("**Floating Rate Notes**"), Inflation Index-Linked Interest Notes ("**Inflation Index-Linked Interest Notes**"), Foreign Exchange (FX) Rate-Linked Interest Notes ("**Foreign Exchange (FX) Rate-Linked Interest Notes**"), Underlying Interest Rate-Linked Interest Notes ("**Underlying Interest Rate-Linked Interest Notes**") and/or Equity Index-Linked Interest Notes ("**Equity Index Linked-Interest Notes**"), do not accrue interest ("**Non-Interest Bearing**") or, in the case of Exempt Notes only, Variable Interest Rate Notes ("**Variable Interest Rate Notes**") or whether a different interest basis applies.

### 4.1 Interest on Fixed Rate Notes

This Condition 4.1 applies to Fixed Rate Notes only.

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

Each Fixed Rate Note bears interest on its nominal amount (or, in the case of Exempt Notes only, if it is a Partly Paid Note, the amount paid up) from and including the Interest Commencement Date.

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

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

Except where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms in respect of a Fixed Interest Period, interest shall be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction (as defined in Condition 4.2(d)), 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 multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

In these Conditions:

"**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.

#### **4.2 Interest on Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index Linked-Interest Notes and Variable Interest Rate Notes**

This Condition 4.2 applies to Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index Linked-Interest Notes and/or Variable Interest Rate Notes.

In respect of Floating Rate Notes, the applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page. Where an entity other than the Agent will calculate the amount of interest due, references in this Condition 4.2 to the Agent shall be deemed to be references to such other entity, where applicable.

In respect of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or Equity Index-Linked Interest Notes, the applicable Final Terms contains provisions applicable to the determination of the relevant rate of interest and must be read in conjunction with this Condition 4.2 and any additional terms and conditions specified as applicable in the relevant Final Terms for full information on the manner in which interest is calculated on Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes and/or Equity Index-Linked Interest Notes.

In the case of Inflation Index-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Index and Index Sponsor, any Related Bond, relevant Determination Dates, provisions relating in determination of the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Foreign Exchange (FX) Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Base Currency, any Subject Currencies, any applicable Weighting, provisions relating in determination of the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Underlying Interest Rate-Linked Interest Notes, the applicable Final Terms will set out, among other things, the Underlying Interest Determination Dates, whether ISDA Determination or Screen Rate Determination applies to the determination of the underlying interest rate and, (a) where ISDA Determination applies the applicable Floating Rate Option, Designated Maturity and Reset Date or (b) where Screen Rate Determination applies, the Underlying Reference Rate, the Specified Time (Underlying) and the Relevant Screen Page, and, in either case, provisions relating in determination of the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

In the case of Equity Index-Linked Interest Notes, the applicable Final Terms will set out, among other things, the relevant Index, Index Currency, Screen Page, Exchange(s) and Index Sponsor, any applicable Weighting, provisions relating to determination of the Rate of Interest, the Calculation Amount, relevant Interest Payment Dates, the Day Count Fraction and the Business Day Convention.

Variable Interest Rate Notes will be issued as Exempt Notes only, the terms of which will be specified in the applicable Pricing Supplement.

(a) *Interest Payment Dates*

Each Floating Rate Note, Inflation Index-Linked Interest Note, Foreign Exchange (FX) Rate-Linked Interest Note, Underlying Interest Rate-Linked Interest Note, Equity Index Linked-Interest Notes and in the case of Exempt Notes only, Variable Interest Rate Note bears interest on its outstanding nominal amount (or, in the case of Exempt Notes only, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each interest period (an "**Interest Period**", which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

(b) *Rate of Interest*

The Rate of Interest or Rate payable from time to time in respect of Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index Linked-Interest Notes and, in the case of Exempt Notes only, Variable Interest Rate Notes, will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

If the Interest Rate or Rate is specified as being Floating Rate and ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest or Rate is to be determined, the 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) specified in the applicable Final Terms. For the purposes of this Condition

4.2(b)(i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) as published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

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

For the purposes of this Condition 4.2(b)(i), "**Floating Rate**", "**Calculation Agent**" for a swap transaction, "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(ii) *Screen Rate Determination for Floating Rate Notes*

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

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

(expressed as a percentage rate per annum) for the Reference Rate (being either the London interbank offered rate ("**LIBOR**") or the Euro-zone interbank offered rate ("**EURIBOR**"), as specified in the applicable Final Terms) 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) (or, in the case of any other Reference Rate, the time specified in the applicable Pricing Supplement) on the Interest Determination Date in question, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the 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 Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if in the case of sub-Condition (ii)(A) above, no such offered quotation appears or, in the case of sub-Condition (ii)(B) above, fewer than three such offered quotations appear, in each case as at the relevant time, the Agent shall request the principal London office of each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) (or, in the case of any other Reference Rate, the time specified in the applicable Pricing Supplement) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest or Rate, as the case may be, for such Interest Period shall be the arithmetic mean

(rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest or Rate for the relevant Interest Period shall be the rate per annum which the 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 Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Euro-zone interbank market (if the Reference Rate is EURIBOR) or the interbank market of the Relevant Financial Centre (if any other Reference Rate is used (in the case of Exempt Notes only)) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the 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 Reference Rate, at which, at approximately 11.00 a.m. (London time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Euro-zone interbank market (if the Reference Rate is EURIBOR) or the interbank market of the Relevant Financial Centre (if any other Reference Rate is used (in the case of Exempt Notes only)) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest or Rate, as the case may be, cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest or Rate, as the case may be, shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In the case of Exempt Notes only, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than the LIBOR or EURIBOR, the Rate of Interest or Rate in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(c) *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 or Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Rate of Interest or Rate, as the case may be, for such Interest Period shall be such Minimum Interest Rate.

Unless otherwise specified in the applicable Final Terms, the Minimum Interest Rate shall be deemed to be zero.

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



(d) *Determination of Rate of Interest, Rate and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index Linked-Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, or any other party responsible for calculating the Rate(s) of Interest and Interest Amount(s) will at, or as soon as practicable after, each time at which the Rate of Interest and/or Rate is to be determined, determine the Rate of Interest and/or Rate, as the case may be for the relevant Interest Period. In the case of Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index Linked-Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes, Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes, Underlying Interest Rate-Linked Interest Notes, Equity Index Linked-Interest Notes and/or, in the case of Exempt Notes only, Variable Interest Rate Notes, in respect of each Specified Denomination for the relevant Interest Period. Each such Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, 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 multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the applicable Final Terms:

- (i) if "**Actual/Actual (ICMA)**" is so specified:
  - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (B) where the Calculation Period is longer than one Regular Period, the sum of:
    - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and
    - (2) the actually number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;

where:

"**Regular Period**" means:

- (A) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and

including one Interest Payment Date to but excluding the next Interest Payment Date;

- (B) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
  - (C) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;
- (ii) if "**Actual/Actual**" is so specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
  - (iii) if "**Actual/365 (Fixed)**" is so specified, the actual number of days in the Calculation Period divided by 365;
  - (iv) if "**Actual/360**" is so specified, the actual number of days in the Calculation Period divided by 360;
  - (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

"**D<sub>2</sub>**" 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 **D<sub>2</sub>** will be 30.

(e) *Notification of Rate of Interest and Interest Amounts*

The Agent and/or the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) will cause the Rate of Interest and each Interest Amount (except that if the Calculation Amount is less than the minimum Specified Denomination, the Agent and/or the party responsible for calculating the Interest Amount(s) shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination) for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any relevant stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day (where the expression "**Luxembourg Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business and settle payments in Luxembourg) after such determination. To the extent required by the rules of any stock exchange on which the relevant Floating Rate Notes or Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes and/or Equity Index Linked-Interest Notes are for the time being listed and admitted to trading, the Issuer will also make available to Noteholders on request the Rate of Interest, Rate, Interest Amount, Interest Period and Interest Payment Date relating to each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will, to the extent required by the rules of the relevant stock exchanges, be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Inflation Index-Linked Interest Notes, Foreign Exchange (FX) Rate-Linked Interest Notes and/or Underlying Interest Rate-Linked Interest Notes are for the time being listed and admitted to trading and to the Noteholders in accordance with Condition 13.

(f) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **4.3 Exempt Notes**

This Condition applies to Exempt Notes only.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes, including but not limited to Variable Interest Rate Notes, shall be determined in the manner specified in the applicable Pricing Supplement.

(a) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(b) *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 in accordance with this Condition 4 on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

#### **4.4 Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless such Note is redeemed early. If such Note is redeemed early (a) if the applicable Final Terms specify that Accrual to Redemption is applicable, interest will cease to accrue on the due date for redemption or (b) 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, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the date which is the earlier of:

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

#### **4.5 General provisions applicable to interest**

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

- (a) in any case where Interest Periods are specified in accordance with Condition 4.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (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 (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "**Business Day**" means:

- (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 any Additional Business Centre (other than TARGET2) specified in the applicable Final Terms;
- (ii) if TARGET2 is specified as an Additional Business Centre in the applicable Final Terms, a TARGET Settlement Day; and
- (iii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (B) in relation to any sum payable in euro, a TARGET Settlement Day.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

## 5. PAYMENTS

### 5.1 Method of Payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or

at the option of the payee by a cheque in such Specified Currency drawn on a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian or New Zealand dollars, shall be Melbourne or Wellington respectively); and

- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments in respect of the Notes will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) (b) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "**Code**") (**871(m) Withholding**) and (c) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

## 5.2 Presentation of Notes, Receipts and Coupons

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

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5.1 above against presentation and surrender of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5.1 above only against presentation and surrender or, in the case of part payment of any sum due, endorsement of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Long Maturity Notes (as defined below) and save as provided in Condition 5.4 below), should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if

later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

### **5.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note (against presentation or surrender, as the case may be, of such Global Note if the Global Note is not intended to be issued in NGN form) to or to the order of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made, (a) in the case of a Global Note in CGN form be made on such Global Note by the Paying Agent to which it was presented and (b) in the case of a Global Note in NGN form, in the records of the relevant ICSD upon the instruction of the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

### **5.4 Specific provisions in relation to payments in respect of certain types of Exempt Notes**

Upon the date on which any Dual Currency Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

### **5.5 General provisions applicable to payments**

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

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

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

## **5.6 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Day**" means any day which is (subject to Condition 8):

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

## **5.7 Interpretation of Principal and Interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;



- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

## 5.8 FX Settlement Disruption Event

If the Specified Currency specified in the applicable Final Terms is a Relevant Currency, FX Settlement Disruption will apply, and:

- (a) If, on the second Business Day prior to the Disrupted Payment Date, the Calculation Agent (in its sole and absolute discretion) determines that a FX Settlement Disruption Event has occurred and is subsisting, the Issuer shall give notice (a "**FX Settlement Disruption Notice**") to the Noteholders in accordance with Condition 13 as soon as reasonably practicable thereafter and, in any event, prior to the relevant Disrupted Payment Date.
- (b) Following the occurrence of a FX Settlement Disruption Event:
  - (A) the date for payment of the relevant Disrupted Amount will be postponed to (i) the second Business Day following the date on which the Calculation Agent determines that a FX Settlement Disruption Event is no longer subsisting or if earlier (ii) the date falling thirty (30) calendar days following the scheduled due date for payment of the relevant Disrupted Amount (the "**FX Settlement Disruption Cut-off Date**") which, for the avoidance of doubt, may be later than the scheduled Maturity Date; and
  - (B) (i) in the case of (A)(i) above, the Issuer will pay the relevant Disrupted Amount, less FX Settlement Disruption Expenses (if any), in the Specified Currency specified in the applicable Final Terms or, in the case of (A)(ii) above, in lieu of paying the relevant Disrupted Amount in the relevant Specified Currency, the Issuer will, subject to sub-paragraph (c) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency (using the FX Settlement Disruption Exchange Rate for the relevant Disrupted Payment Date) and will pay the relevant Disrupted Amount, less FX Settlement Disruption Expenses (if any), in the FX Settlement Disruption Currency on the FX Settlement Disruption Cut-off Date.
- (c) If sub-paragraph (b)(A)(ii) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate in its sole and absolute discretion in accordance with the following procedures:
  - (A) the FX Settlement Disruption Exchange Rate shall be 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 Specified Currency/FX Settlement Disruption Currency exchange rates provided by two or more leading dealers on a foreign exchange market (as selected by the Calculation Agent) on such day; or
  - (B) if fewer than two leading dealers provide the Calculation Agent with bid and offer Specified Currency/FX Settlement Disruption Currency exchange rates on such day,

the Calculation Agent shall determine the FX Settlement Disruption Exchange Rate in its discretion.

- (d) 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 5.8, and no additional interest will be paid in respect of any postponement of the date for payment.
- (e) For the avoidance of doubt, nothing contained in this Condition 5.8 shall prevent the Issuer and/or Calculation Agent from determining that an Additional Disruption Event and/or Optional Additional Disruption Event has occurred, in which case, the provisions of Inflation Index-Linked Note Condition 3.7 or Foreign Exchange (FX) Rate-Linked Note Condition 6, as applicable, shall prevail in the event of any conflict between such Conditions and this Condition 5.8.
- (f) For these purposes:

**"Disrupted Payment Date"** means the due date for payment of the relevant Interest Amount, Final Redemption Amount or such other amount payable (if any) (each a **"Disrupted Amount"**);

**"FX Settlement Disruption Currency"** means USD;

**"FX Settlement Disruption Event"** means the occurrence of an event which makes it unlawful, impossible or otherwise impracticable to pay any Disrupted Amount in the Specified Currency on the scheduled due date for payment;

**"FX Settlement Disruption Exchange Rate"** means the rate of exchange between the Specified Currency (as specified in the applicable Final Terms) and the FX Settlement Disruption Currency, determined by the Calculation Agent in accordance with the provisions of sub-paragraph (c) above;

**"FX Settlement Disruption Expenses"** means the sum of (i) the cost to the Issuer and/or its Affiliates of unwinding any hedging arrangements related to the Notes and (ii) any transaction, settlement or other costs and expenses arising directly out of the occurrence of a FX Settlement Disruption Event or the related payment of the Disrupted Amount, all as determined by the Calculation Agent in its sole and absolute discretion; and

**"Relevant Currency"** means each of Emirati Dirhams (**"AED"**), Argentinian Pesos (**"ARS"**), Australian Dollars (**"AUD"**), Bermudan Dollars (**"BMD"**), Bulgarian Leva (**"BGN"**), Bahraini Dinars (**"BHD"**), Botswana Pula (**"BWP"**), Brazilian Reais (**"BRL"**), Canadian Dollars (**"CAD"**), Swiss Francs (**"CHF"**), Chilean Pesos (**"CLP"**), Czech Republic Korun (**"CZK"**), Danish Kroner (**"DKK"**), Great British Pounds (**"GBP"**), Ghanaian Cedis (**"GHS"**), Hong Kong Dollars (**"HKD"**), Croatian Kunas (**"KRJ"**), Hungarian Forints (**"HUF"**), Indonesian Rupiah (**"IDR"**), Israeli Shekels (**"ILS"**), Icelandic Krónur (**"ISK"**), Jordanian Dinars (**"JOD"**), Japanese Yen (**"JPY"**), Kenyan Shillings (**"KES"**), Kuwaiti Dinars (**"KWD"**), Kazakhstani Tenges (**"KZT"**), Lebanese Pounds (**"LBP"**), Moroccan Dirhams (**"MAD"**), Mauritian Rupees (**"MUR"**), Mexican Pesos (**"MXN"**), Malaysian Ringgits (**"MYR"**), Namibian Dollars (**"NAD"**), Nigerian Naira (**"NGN"**), Norwegian Kroner (**"NOK"**), New Zealand Dollars (**"NZD"**), Omani Riyals (**"OMR"**), Peruvian Nuevos Soles (**"PEN"**), Philippine Pesos (**"PHP"**), Polish Zloty (**"PLN"**), Qatari Riyals (**"QAR"**), Romanian Lei (**"RON"**), Russian Roubles (**"RUB"**), Saudi Riyals (**"SAR"**), Swedish Kroner (**"SEK"**), Singaporean Dollars (**"SGD"**), Thai Baht (**"THB"**), Tunisian Dinars (**"TND"**), Turkish Lira (**"TRY"**) and South African Rand (**"ZAR"**).

## **6. REDEMPTION AND PURCHASE**

### **6.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. The Final Redemption Amount in respect of each Note will be an amount in the relevant Specified Currency equal to (i) the Calculation Amount multiplied by the Final Redemption Percentage, or (ii) the Final Payout, in each case as specified in the applicable Final Terms, provided that, if the product of the Final Payout is zero, no amount will be payable on redemption of the Note.

**"Final Redemption Percentage"** means the percentage specified in the applicable Final Terms.

### **6.2 Redemption for Tax Reasons**

The Notes will be redeemed at the option of the Issuer, in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note, an Equity Index-Linked Note nor, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note, an Equity Index-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note), on giving not less than the minimum period nor more than the maximum period of notice to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (a) on the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

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

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

### **6.3 Redemption at the Option of the Issuer (Issuer Call)**

This Condition 6.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an Issuer Call. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum early redemption amount and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the applicable Optional Redemption Date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Early Redemption Amount or not more than the Maximum Early Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms. The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (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), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 7 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, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

In the event of any such redemption, the Luxembourg Stock Exchange shall be notified of such redemption by the Issuer.

### **6.4 Redemption at the Option of the Noteholders (Investor Put)**

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an Investor Put. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If the relevant Note is in definitive form, to exercise the right to require redemption of the relevant Note, the holder of such Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by the relevant Note or evidence satisfactory to the Paying Agent concerned that the relevant Note will, following delivery of the Put Notice, be held to its order or under its control.

If the relevant Note is represented by a Global Note, to exercise the right to require redemption of a Note, the holder of the relevant Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or any common depositary or common safekeeper for them, as the case may be, to the Agent by electronic means), in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 6.4 shall be irrevocable except where prior to the due date of redemption an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

## **6.5 Redemption for illegality**

In the case of Inflation Index-Linked Notes, Foreign Exchange (FX) Rate-Linked Notes, Underlying Interest Rate-Linked Notes and, in the case of Exempt Notes only, Variable Interest Rate Notes or Variable Redemption Notes, and unless, in the case of Exempt Notes only, otherwise specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on such date as the Issuer may notify to the Noteholders in accordance with Condition 13 if the Issuer determines that the performance by the Issuer of its obligations under the Notes has become unlawful under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.

Notes redeemed pursuant to this Condition 6.5 will be redeemed at the Early Redemption Amount referred to in paragraph 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

## **6.6 Early Redemption Amounts**

For the purpose of paragraphs 6.2 and 6.5 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows or as otherwise provided in the applicable Final Terms or the applicable Schedule:

- (a) in the case of a Note other than a Zero Coupon Note, an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note, an Equity Index-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note, at the percentage of its nominal amount specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at 100 per cent. of its nominal amount;
- (b) in the case of an Inflation Index-Linked Note, a Foreign Exchange (FX) Rate-Linked Note, an Underlying Interest Rate-Linked Note or, in the case of Exempt Notes only, a Variable Interest Rate Note or a Variable Redemption Note at its Early Redemption Amount specified in the applicable Final Terms, which may be a specified percentage of its nominal amount or, if Market Value less Costs is specified in the applicable Final Terms, at its fair market value (as determined by the relevant Calculation Agent) as at the date of such early redemption less the costs to the Issuer of unwinding or amending any related hedging arrangements, provided that, if no Early Redemption Amount is specified, the Early Redemption Amount will be Market Value less Costs; and
- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

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

- (d) or, in the case of any of (a) to (c) above, if such Note is an Exempt Note, at such other amount as specified in the applicable Pricing Supplement.

## 6.7 Instalment Notes

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

## 6.8 Specific redemption provisions applicable to certain types of Exempt Notes

This sub-Condition applies to Exempt Notes only.

(a) *Variable Redemption Notes and Dual Currency Notes*

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of a Variable Redemption Note or a Dual Currency Note and, in the case of a Variable Redemption Note, any other relevant terms may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 6.2, Dual Currency Notes may be redeemed only on an Interest Payment Date.

(b) *Partly Paid Notes*

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

**6.9 Purchases**

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes (to the extent permitted by law) may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

**6.10 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph 6.1 above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

**6.11 Late payment on Zero Coupon Notes**

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

**7. TAXATION**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by 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, and unless the provisions of this Condition 7 are specified not to apply in the relevant Final Terms, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders, Receiptholders or Couponholders 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, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment 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, 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 5.6); or
- (c) where such withholding or deduction is required pursuant to (i) an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof or (ii) Section 871(m) of the Code; or
- (d) where such withholding or deduction is required pursuant to the law of 23 December 2005 (as amended).

As used herein:

- (i) "**Tax Jurisdiction**" means the Grand Duchy of Luxembourg, the jurisdiction in which the Specified Branch (if any) is located (in the case of Exempt Notes only) 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 payments made by the Issuer of principal and interest on the Notes, Receipts and Coupons become generally subject; and
- (ii) 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 13.

## 8. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

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

The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the "**Involuntary Dispossession Act 1996**") requires that, in the event that (i) an opposition has been filed in relation to lost or stolen Notes, Receipts and Coupons and (ii) the Notes, Receipts and Coupons mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), any amount that is payable under the Notes, Receipts and Coupons, but has not yet been paid to the Noteholders or Couponholders, must be paid to the *Caisse de Consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Notes, Receipts and Coupons occurs.

## 9. EVENTS OF DEFAULT AND ENFORCEMENT

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Note may give written notice to the 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 (as



described in Condition 6.6), together with accrued interest (if any) to the date of repayment, without presentation, demand, protest or other notice of any kind:

- (a) 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
- (b) 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 Agent at its specified office by any Noteholder; or
- (c) 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
- (d) 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
- (e) (i) 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 (ii) if the Issuer makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or (iii) 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
- (f) 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 16 and has expressly and effectively assumed the obligations of the Issuer under the Notes).

## **10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent in Luxembourg in accordance with any applicable legal requirements and upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, exchanged for further coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Receipt, Coupon, Talon or further coupons as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **11. AGENT AND PAYING AGENTS**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

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

- (a) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of any relevant stock exchange (or other relevant authority); and
- (b) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.5. Notice of any variation, termination, appointment or change in Paying Agent 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 thereof shall have been given to the Noteholders in accordance with Condition 13.

## **12. EXCHANGE OF TALONS**

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

## **13. NOTICES**

### **13.1 Notes in global form**

So long as any Tranche of Notes is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or, in the case of Exempt Notes only, in the relevant Pricing Supplement, be deemed to be validly given if given by delivery of the relevant notice to the clearing system for communication by it to Noteholders in respect of the relevant Notes. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg. If such delivery is not practicable, notices will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in Europe.

### **13.2 Notes admitted to listing, trading and/or quotation**

So long as any Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Holders of Notes of such Notes will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if:

- (a) in the case of Notes admitted to listing on the official list and to trading on the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the Luxembourg Stock Exchange and any applicable laws, rules or regulations so require), published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), and/or in such other manner as may be required by applicable laws, rules and regulations from time to time; and/or

- (b) in the case of Notes admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, if published in such manner as may be required by the applicable laws, rules and regulations of that competent authority, stock exchange and/or quotable system from time to time, including publication on the website of the relevant competent authority, stock exchange or quotation system, if required by such laws, rules or regulations.

### 13.3 In any other cases

Where both Condition 13.1 and Condition 13.2 are inapplicable, notices will, save where another means of effective communication has been specified herein or in the relevant Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the United Kingdom (which is expected to be the Financial Times), or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe.

### 13.4 General

For the avoidance of doubt, where both Condition 13.1 and Condition 13.2 apply, notices must be given in the manner specified in Condition 13.1 and Condition 13.2 in order to be deemed to be validly given.

Notices to Holders of Notes of any Exempt Notes may, at the sole discretion of the Issuer and solely for informational purposes, also be published on the website of the Issuer and/or of any other entity specified in the relevant Final Terms for this purpose.

Any notice will be deemed to have been validly given on the date and time of such notification (or, if required to be notified in more than one manner, on the first date on which notification shall have been made in all required manners).

Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice validly given to Holders of Notes in accordance with this Condition.

### 13.5 Notices by Noteholders

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

## 14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

Noteholders will belong to a masse (the "**Masse**") created, among other things, for the representation of their common interests pursuant to the provisions of the Law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies, as amended (*loi du 10 août 1915 concernant les sociétés commerciales, telle qu'elle a été modifiée*) (the "**Luxembourg Company Law**"). The following is a summary of the relevant provisions of the Luxembourg Company Law. A general meeting of the Noteholders (the "**Masse Meeting**") or a court order may appoint and determine the powers of one or more representatives (the "**Representatives**"). Where Representatives have been appointed, Noteholders may no longer individually exercise their rights against the Issuer. A *Masse Meeting* may be called at any time by the Representatives (if any), the Board of Directors of the Issuer, or the auditors of the Issuer. The Representatives or the auditors of the Issuer, provided an advance on expenses has been paid to them by the Issuer, or the Board of Directors of the Issuer

must convene a *Masse Meeting* if called upon to do so by the Noteholders representing 5 per cent. or more of the Notes outstanding. Meetings of Noteholders will be convened by notices published at least fifteen days prior to the meeting in RESA, *Recueil électronique des sociétés et associations* and in one newspaper published in Luxembourg. All *Masse Meetings* shall be held at the place specified in the notice calling the meeting. All Noteholders have the right to attend and vote at a *Masse Meeting* either personally or by proxy. Each voter shall have, on a show of hands one vote, and on a poll, one vote in respect of each unit of currency relating to the nominal amount of Notes represented or held by him. A *Masse Meeting* may be called to approve certain changes in the rights of the Noteholders and may, generally, determine any measures designed to ensure the defence of interests or the exercise of the rights of the Noteholders in accordance with the provisions of the Luxembourg Company Law. A *Masse Meeting* may deliberate validly without a quorum and by a vote of a simple majority of Noteholders attending or represented at such *Masse Meeting* on the appointment and revocation of the Representatives, the revocation of special representatives appointed by the Issuer and the approval of any measures of a conservatory nature in the general interests of the Noteholders. On all other matters a *Masse Meeting* may deliberate validly on first convocation only if Noteholders present or represented hold at least 50 per cent. of the Notes then outstanding. The Board of Directors of the Issuer or Noteholders representing 10 per cent. of the Notes then outstanding may require the adjournment of the meeting for four weeks. A new meeting must be called for by convening notices to be published at least 15 days before the second meeting in one newspaper published in Luxembourg and in the *Mémorial*. On the second convocation no quorum is required. Decisions at such meetings shall be taken by a majority of 66 2/3 per cent. of the votes cast by Noteholders attending such meetings or represented thereat.

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

- (a) any modification of the Agency Agreement which is not prejudicial to the interest of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law 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 13 as soon as practicable thereafter.

For the avoidance of doubt, no Noteholder, Receiptholder or Couponholder may initiate proceedings against the Issuer based on article 98 of the Luxembourg Company Law.

## **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 amount and date of the first payment of interest thereon and the date from which interest starts to accrue so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **16. SUBSTITUTION**

Subject to the provisions of this Condition, the Noteholders and the Couponholders, by subscribing to or purchasing any Notes or Coupons, expressly consent to the Issuer, or any previously substituted company, at any time, but where applicable, with the prior authorisation of the CSSF, substituting for itself as principal debtor under any Series of the Notes, the Receipts, 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, the Receipts 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 16 will release the Issuer or any previous substituted company from any and all further obligations in respect of the Notes and the Noteholders and Couponholders expressly consent hereto. The substitution shall be made by a written undertaking (the "**Undertaking**") to be substantially in the form scheduled to the Agency Agreement and may take place only if:

- (a) the Substitute, by means of the Undertaking, 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 (and, if applicable, the jurisdiction of any Guarantor (as set out under (b) below) with respect to any Note, Receipt, Coupon or Talon or by the country in which any Noteholder or Couponholder resides 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 Undertaking, 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 Undertaking (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 Undertaking, the Notes, the Receipts, the Coupons and the Talons 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 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 Agent) from a lawyer or a firm of lawyers with a leading securities practice in each jurisdiction referred to in (a) above and in Luxembourg that the Undertaking, the Notes (and, where applicable, the Receipts, Coupons and Talons) represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Guarantee, of the Guarantor(s);
- (f) the substitution does not affect adversely any rating of the Notes by Moody's, S&P and Fitch (as applicable) or, if any such rating agency has ceased to 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 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 9 to obligations under the Notes shall be deemed to include obligations under the Undertaking and, where the Undertaking contains a Guarantee, the events listed in Condition 9 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 events of default in respect of the Notes in the same or analogous terms as Condition 9 relating to the Guarantor (except that references in Condition 9(a) to failure to pay principal and interest on the Notes shall be a reference to failure to pay under the Guarantee).

References to "outstanding" in relation to 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 14.

In the event of any such substitution, the Issuer shall notify the CSSF and/or the Luxembourg Stock Exchange and prepare, or procure the preparation of, a supplement to this Base Prospectus.

## **17. CURRENCY INDEMNITY**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## **18. ROUNDING**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## **19. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

- 19.1 The Luxembourg Notes, the Receipts, the Coupons and the Talons relating to the Luxembourg Notes are governed by Luxembourg law.

- 19.2 The Agency Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.
- 19.3 (a) With regard to the Luxembourg Notes and the Receipts, Coupons and Talons relating to the Luxembourg Notes, subject to Condition 19.3(c) below, the courts of Luxembourg, the Grand Duchy of Luxembourg have exclusive jurisdiction to settle any dispute arising out of or in connection with the Luxembourg Notes and the Receipts, Coupons and/or Talons relating to the Luxembourg Notes (including any dispute as to their existence, validity interpretation, performance, breach or termination or the consequences of their nullity) (a "**Dispute**") and accordingly each of the Issuer, the Noteholders, the Receiptholders, the Couponholders and the Talonholders in relation to any Dispute submit to the exclusive jurisdiction of the courts of Luxembourg, the Grand Duchy of Luxembourg.
- (b) For the purposes of this Condition 19.3, the Issuer waives any objection to the courts of Luxembourg, the Grand Duchy of Luxembourg on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law the Noteholders, Receiptholders, Couponholders and Talonholders may, in respect of any Dispute or Disputes take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

## SCHEDULE 1

### ADDITIONAL TERMS AND CONDITIONS FOR PAYOUTS

The following terms and conditions (the "**Payout Conditions**"), subject to completion in the applicable Final Terms, relate to the payouts in respect of the Notes. In particular, certain sections of the Payout Conditions will be set out and completed in the applicable Final Terms. In the event of any inconsistency between the terms and conditions of the Notes (the "**Note Conditions**") or the Payout Conditions, the Payout Conditions shall prevail. In the event of any inconsistency between (a) the Note Conditions and/or the Payout Conditions and (b) the Final Terms, the Final Terms shall prevail. The descriptions of the payouts, interest rates and/or related provisions included in italics below do not form part of the Payout Conditions, are included for information purposes only and are subject to the detailed terms of the relevant payout or interest rate, as applicable.

#### 1. FIXED INCOME INTEREST RATES AND PAYOUTS

##### 1.1 Fixed Income Interest Rates

The following Rate of Interest will apply to the Notes if specified in the applicable Final Terms:

(a) **FI Digital Coupon**

If FI Digital Coupon is specified as applicable in the applicable Final Terms:

- (i) if the FI Digital Coupon Condition is satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min} \left( \text{Global Cap A}, \text{Max} \left( \text{Global Floor A}, \left( \sum_{i=1}^n \text{Gearing A}_{(i)} \times \text{FI Rate A}_{(i)} \right) + \text{Constant A} \right) \right); \text{ or}$$

- (ii) if the FI Digital Coupon Condition is not satisfied in respect of the relevant FI Interest Valuation Date:

$$\text{Min} \left( \text{Global Cap B}, \text{Max} \left( \text{Global Floor B}, \left( \sum_{i=1}^n \text{Gearing B}_{(i)} \times \text{FI Rate B}_{(i)} \right) + \text{Constant B} \right) \right)$$

***Description of the Payout***

*A FI Digital Coupon provides that the Notes bear interest at one of 2 specified rates depending upon whether or not the specified FI Digital Coupon Condition is satisfied. The specified rate can be (i) a fixed percentage or (ii) a fixed percentage (which may be equal to zero) plus a floating rate, where the floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied. The payout may be subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, a negative or a positive number and the fixed percentage may be equal to zero.*

*The Digital Coupon Condition is indexed to the value of the Underlying Reference(s) (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) comparative to a barrier level(s) which can be fixed or step up or down.*



(b) **Range Accrual Coupon**

If Range Accrual Coupon is specified as applicable in the applicable Final Terms:

$$\text{Min} \left\{ \text{Global Cap}, \text{Max} \left( \text{Global Floor}, \text{Min} \left[ \text{Local Cap}, \text{Max} \left( \text{Local Floor}, \text{Global Margin} + \sum_{i=1}^n \text{Gearing}_{(i)} \times \text{FI Rate}_{(i)} \right) \right] \times \frac{n}{N} \right) \right\}$$

Where:

"n" is the number of Range Accrual Days in the relevant Range Period on which the Range Accrual Coupon Condition is satisfied; and

"N" is the number of Range Accrual Days in the relevant Range Period.

If Deemed Range Accrual is specified as applicable in the applicable Final Terms, the FI DC Barrier Value for each Range Accrual Day in the period from (and including) the Range Cut-off Date to (and including) the Range Period End Date will be deemed to be the FI DC Barrier Value on the Range Cut-off Date.

**Description of the Payout**

*A Range Accrual Coupon provides that the Notes bear interest on the basis of a rate calculated by reference to the number of Range Accrual Days in the relevant Range Accrual Period where the Range Accrual Coupon Condition is satisfied. The interest payable on each Interest Payment Date is equal to  $K * n/N$ , where n is the number of Range Accrual Days in the Range Accrual Period on which the Range Accrual Coupon Condition is satisfied and N is the total number of Range Accrual Days in the Range Accrual Period. K can be a fixed percentage or a floating rate plus a margin (which may be zero) and is subject to a minimum level (equal to the Local Floor) or a maximum level (equal to the Local Cap). The floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied.*

*The overall rate payable is also subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap).*

*The Range Accrual Coupon Condition is indexed to the value of the Underlying Reference(s) (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) comparative to a barrier level(s) which can be fixed or step up or down.*

(c) **Combination Floater Coupon**

If Combination Floater Coupon is specified as applicable in the applicable Final Terms:

$$\text{Min} \left\{ \text{Global Cap}, \text{Max} \left( \text{Global Floor}, \text{Min} \left( \text{Local Cap}, \text{Max} \left( \text{Local Floor}, \text{Global Margin} + \sum_{i=1}^n \text{Gearing}_i \times \text{FI Rate}_i \right) \right) \right) \right\}$$

**Description of the Payout**

*A Combination Floater Coupon may be any of the following (i) a fixed percentage or (ii) a floating rate plus a margin (which can be equal to zero), where the floating rate may be the sum of one or more floating interest rates or inflation rates with individual gearings applied and where the sum of floating rate and Global Margin is subject to a Local Floor and a Local Cap. The rate payable is subject to a minimum level (equal to the Global Floor) or a maximum level (equal to the Global Cap). The Gearing may be zero, negative or positive.*

(d) **PRDC Coupon**

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

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

- I. if no Knock-in Event has occurred, 0 (zero); or
- II. if a Knock-in Event has occurred:

Min (Cap, Max (Floor, (Coupon Percentage 1 × PRDC Performance) – Coupon Percentage 2));

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

Min (Cap, Max (Floor, (Coupon Percentage 1 × PRDC Performance) – Coupon Percentage 2));

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

- I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

Min (Cap, Max (Floor, (Coupon Percentage 1 × PRDC Performance) – Coupon Percentage 2));

- II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, 0 (zero);

Where:

**"PRDC Performance"** means the quotient of the Final Settlement Price (as numerator) and the Initial Settlement Price (as denominator).

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on whether such event(s) have occurred.*

*If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the interest rate will be zero or a percentage that is (subject to a specified minimum and/or maximum) equal to a specified percentage multiplied by the performance of the Underlying Reference over a specified period and reduced by a specified percentage.*

(e) **FI Digital Floor Coupon**

If FI Digital Floor Coupon is specified as applicable in the applicable Final Terms:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

- I. if no Knock-in Event has occurred, 0 (zero);
  - II. if a Knock-in Event has occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
Digital Floor Percentage 1; or
  - III. if a Knock-in Event has occurred and the FI Digital Floor Condition is not satisfied in respect of the relevant FI Interest Valuation Date:  
Digital Floor Percentage 2.
- (B) if Knock-in Event is not specified as applicable in the applicable Final Terms:
- I. if the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
Digital Floor Percentage 1; or
  - II. if the FI Digital Floor Condition is not satisfied in respect of the relevant FI Interest Valuation Date:  
Digital Floor Percentage 2; or
- (C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
- I. if no Knock-in Event has occurred, 0 (zero); or
  - II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
Digital Floor Percentage 1; or
  - III. in all other cases:  
Digital Floor Percentage 2.

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Floor Condition is satisfied. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Floor Condition is satisfied.*

*The FI Digital Floor Condition will be satisfied if the FI Digital Value is less than or equal to the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Floor Condition is satisfied will determine whether interest is payable and, if so, which specified rate will be used to calculate the interest payable.*

(f) **FI Digital Cap Coupon**

If FI Digital Cap Coupon is specified as applicable in the applicable Final Terms:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

- I. if no Knock-in Event has occurred, 0 (zero);
- II. if a Knock-in Event has occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Cap Percentage 1; or
- III. if a Knock-in Event has occurred and the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Cap Percentage 2; or

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

- I. if the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Cap Percentage 1; or
- II. if the FI Digital Cap Condition is not satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Cap Percentage 2; or

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

- I. if no Knock-in Event has occurred, 0 (zero); or
- II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Interest Valuation Date:  
  
Digital Cap Percentage 1; or
- III. in all other cases:  
  
Digital Cap Percentage 2.

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Cap Condition is met. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Cap Condition is satisfied.*

*The FI Digital Cap Condition will be satisfied if the FI Digital Value is greater than or equal to the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as specified in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Cap Condition is satisfied will determine whether interest is payable and, if so, which specified rate will be used to calculate the interest payable.*

**(g) FI Target Coupon**

If FI Target Coupon is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event has not occurred, the Rate of Interest in respect of the Target Final Interest Period shall be the Final Interest Rate specified in the applicable Final Terms.

***Description of the Payout***

*If Target Automatic Early Redemption applies and an Automatic Early Redemption Event does not occur the rate of interest for the Interest Period ending on the Maturity Date will be the Final Interest Rate.*

*The Final Interest Rate may be*

- 1. Capped only – In this case, the Final Interest Rate is the rate of interest calculated for the final interest period or, if less, the difference between the Automatic Early Redemption Percentage and the interest already paid;*
- 2. Guaranteed only - In this case, the Final Interest Rate is the rate of interest calculated for the final interest period or, if greater, the difference between the Automatic Early Redemption Percentage and the interest already paid. If no Automatic Early Redemption Event occurs, this Rate of Interest provides a payment at maturity that means the overall sum of all interest paid will be at least equal to the Automatic Early Redemption Percentage;*
- 3. Capped and guaranteed - In this case, the Final Interest Rate is the Automatic Early Redemption Percentage less previous interest paid which means that the overall interest paid will be equal to the Automatic Early Redemption Percentage;*
- 4. Not capped and not guaranteed – In this case, the Final Interest Rate is the interest calculated for the relevant Interest Period.*

**(h) FI FX Vanilla Coupon**

If FI FX Vanilla Coupon is specified as applicable in the applicable Final Terms:

- (A) if Knock-in Event is specified as applicable in the applicable Final Terms:
- I. if no Knock-in Event has occurred, 0 (zero); or

- II. if a Knock-in Event has occurred:  
 $\text{Gearing} \times \text{Option};$
- (B) if Knock-in Event is not specified as applicable in the applicable Final Terms:  
 $\text{Gearing} \times \text{Option};$
- (C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
  - I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:  
 $\text{Gearing} \times \text{Option};$
  - II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, 0 (zero).

Where:

"**Option**" means  $\text{Min} (\text{Max} (\text{Performance Value}, \text{Floor}), \text{Cap})$ .

***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on whether such event(s) have occurred.*

*If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the interest rate will be zero or a percentage reflecting the product of the performance of the Underlying Reference over a specified period (which may be subject to a minimum and/or a maximum) and a gearing percentage.*

(i) **FI Digital Plus Coupon**

If FI Digital Plus Coupon is specified as applicable in the applicable Final Terms:

- (A) if Knock-in Event is specified as applicable in the applicable Final Terms:
  - I. if no Knock-in Event has occurred, 0 (zero); or
  - II. if a Knock-in Event has occurred and the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:  
 $\text{Max} (\text{Digital Plus Percentage 1}, (\text{Gearing} \times \text{FI Digital Value}));$  or
  - III. if a Knock-in Event has occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Valuation Date:

Digital Plus Percentage 2;

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

I. if the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:

Max (Digital Plus Percentage 1, (Gearing  $\times$  FI Digital Value)); or

II. if the FI Digital Plus Condition is not satisfied in respect of the relevant FI Valuation Date:

Digital Plus Percentage 2;

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, 0 (zero); or

II. if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Plus Condition is satisfied in respect of the relevant FI Valuation Date:

Max (Digital Plus Percentage 1, (Gearing  $\times$  FI Digital Value)); or

III. in all other cases:

Digital Plus Percentage 2.

### ***Description of the Payout***

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable, the interest payable will vary depending on (i) whether such event(s) have occurred and (ii) whether the FI Digital Plus Condition is satisfied. If no Knock-in Event or Knock-out Event is specified, the interest payable will vary depending on whether the FI Digital Plus Condition is satisfied.*

*The FI Digital Plus Condition will be satisfied if the FI Digital Value is greater than the level specified or determined as provided in the applicable Final Terms. If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether (i) a Knock-in Event and, if applicable, a Knock-out Event has occurred and (ii) the FI Digital Plus Condition is satisfied will determine whether the interest rate will be zero or a specified percentage or the greater of a specified percentage and the product of the performance of the Underlying Reference over a specified period and a gearing percentage.*

## **1.2 Definitions for Fixed Income Interest Rates**

"Cap" means the percentage specified as such in the applicable Final Terms;

**"Constant A"** means the percentage specified as such in the applicable Final Terms;

**"Constant B"** means the percentage specified as such in the applicable Final Terms;

**"Coupon Percentage 1"** means the percentage specified as such in the applicable Final Terms;

**"Coupon Percentage 2"** means the percentage specified as such in the applicable Final Terms;

**"FI DC Barrier Value"** means, in respect of a FI Interest Valuation Date and an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference;

**"FI Digital Coupon Condition"** means:

- (a) in respect of Underlying Reference 1, that the FI DC Barrier Value for such Underlying Reference for the relevant FI Interest Valuation Date is (A) (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level and (B) if a FI Lower Barrier Level is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level; and/or
- (b) if Underlying Reference 2 is specified as applicable in the applicable Final Terms, in respect of Underlying Reference 2, that the FI DC Barrier Value for such Underlying Reference for the relevant FI Interest Valuation Date is (A) (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the FI Upper Barrier Level and (B) if a FI Lower Barrier Level is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the FI Lower Barrier Level;

**"FI Interest Valuation Date"** means each Underlying Interest Determination Date, Determination Date, Averaging Date, Valuation Date, Interest Valuation Date and/or Settlement Price Date specified as such in the applicable Final Terms or each Range Accrual Day;

**"FI Lower Barrier Level"** means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms;

**"FI Rate"** means the Rate or Inflation Rate as specified in the applicable Final Terms;

**"FI Rate A"** means the Rate or Inflation Rate as specified in the applicable Final Terms;

**"FI Rate B"** means the Rate or Inflation Rate as specified in the applicable Final Terms;

**"FI Upper Barrier Level"** means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms;

**"Floor"** means the percentage specified as such in the applicable Final Terms;

**"Global Cap"** means the percentage specified as such in the applicable Final Terms;

**"Global Cap A"** means the percentage specified as such in the applicable Final Terms;

**"Global Cap B"** means the percentage specified as such in the applicable Final Terms;

**"Global Floor"** means the percentage specified as such in the applicable Final Terms;

**"Global Floor A"** means the percentage specified as such in the applicable Final Terms;



**"Global Floor B"** means the percentage specified as such in the applicable Final Terms;

**"Global Margin"** means the percentage specified as such in the applicable Final Terms;

**"Local Cap"** means the percentage specified as such in the applicable Final Terms;

**"Local Floor"** means the percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Barrier Level Down"** means in respect of an Underlying Reference, the percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Barrier Level Up"** means in respect of an Underlying Reference, the percentage specified as such in the applicable Final Terms;

**"Range Accrual Coupon Condition"** means, in respect of an Underlying Reference:

- (a) in respect of Underlying Reference 1, that the FI DC Barrier Value for such Underlying Reference for the relevant Range Accrual Day is (A)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (B) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up; and/or
- (b) if Underlying Reference 2 is specified as applicable in the applicable Final Terms, in respect of Underlying Reference 2, that the FI DC Barrier Value for such Underlying Reference for the relevant Range Accrual Day is (A)(i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (B) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up;

**"Range Accrual Day"** means a Scheduled Trading Day, Business Day, Underlying Interest Determination Date or calendar day, as specified in the applicable Final Terms;

**"Range Cut-off Date"** means the date specified as such in the applicable Final Terms;

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

**"Range Period End Date"** means the date specified as such in the applicable Final Terms;

**"Rate"** means, in respect of a FI Interest Valuation Date, the fixed rate specified in or the floating rate calculated as provided in, the applicable Final Terms;

**"Target Coupon Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Target Determination Date"** means each date specified as such in the applicable Final Terms;

**"Target Final Interest Period"** means the Interest Period ending on the Maturity Date; and

**"YoY Inflation Rate"** means  $[\text{Inflation Index}_{(i)} / \text{Inflation Index}_{(i-1)}] - 1$ .

### 1.3 Fixed Income Final Payouts

The following final payouts which when multiplied by the applicable CA (each a "Final Payout") will apply to the Notes if specified in the applicable Final Terms.

#### (i) FI FX Vanilla Notes

If the Notes are specified in the applicable Final Terms as being FI FX Vanilla Notes:

(A) if Knock-in Event is specified as applicable in the applicable Final Terms:

I. if no Knock-in Event has occurred, FI Constant Percentage 1; or

II. if a Knock-in Event has occurred:

FI Constant Percentage  $1 + (\text{Gearing} \times \text{Option})$ ;

(B) if Knock-in Event is not specified as applicable in the applicable Final Terms:

FI Constant Percentage  $1 + (\text{Gearing} \times \text{Option})$ ;

(C) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

I. if a Knock-in Event has occurred but a Knock-out Event has not occurred:

FI Constant Percentage  $1 + (\text{Gearing} \times \text{Option})$ ;

II. if (a) a Knock-in Event and a Knock-out Event have occurred or (b) a Knock-out Event has occurred, FI Constant Percentage 1.

Where:

"Option" means  $\text{Min}(\text{Max}(\text{Performance Value}, \text{Floor}), \text{Cap})$ .

#### **Description of the Payout**

*If a Knock-in Event or a Knock-in Event and Knock-out Event are specified as applicable the final payout will vary depending on whether such event(s) have occurred.*

*If applicable, a Knock-in Event or Knock-out Event will occur if on a Knock-in Determination Day or Knock-out Determination Day (as applicable) or in respect of a Knock-in Determination Period or Knock-out Determination Period (as applicable) the level of the Underlying Reference (which will be a Subject Currency) when observed at the specified time(s) is greater than, greater than or equal to, less than or less than or equal to (as applicable) the level specified in or determined as provided in the applicable Final Terms or within the Knock-in Range Level or Knock-out Range Level specified.*

*Whether a Knock-in Event and, if applicable, a Knock-out Event has occurred will determine whether the final payout will be zero or a percentage reflecting the product of the performance of the Underlying Reference over a specified period (which may be subject to a minimum and/or a maximum) and a gearing percentage.*

#### (ii) FI Inflation Notes

If the Notes are specified in the applicable Final Terms as being FI Inflation Notes:

Max [100%, Cumulative Inflation Rate]

***Description of the Payout***

*The payout comprises an amount per Note equal to 100 per cent. of the Calculation Amount or, if greater, the total positive inflation accretion from the Strike Date to the FI Redemption Valuation Date multiplied by the Calculation Amount.*

**1.4 Fixed Income Automatic Early Redemption Payouts**

If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, the Automatic Early Redemption Payout shall be:

- (a) If Target Automatic Early Redemption is specified as applicable in the applicable Final Terms,

$CA \times (100\% + \text{Final Interest Rate});$

***Description of the Payout***

*If Target Automatic Early Redemption applies, the Notes redeem automatically if the cumulative coupon is greater than or equal to a target barrier (the "Automatic Early Redemption Percentage"). The cumulative coupon is equal to the sum of all previous interest paid plus the interest calculated (but not necessarily paid) for the Interest Period during which the relevant Automatic Early Redemption Valuation Date falls.*

*The payout per Note, comprises the Calculation Amount multiplied by 100 per cent. plus the Final Interest Rate.*

*The Final Interest Rate may be*

1. *Capped only – In this case, the Final Interest Rate is the rate of interest calculated for the relevant interest period or, if less, the difference between the Automatic Early Redemption Percentage and the interest already paid;*

2. *Guaranteed only - In this case, the Final Interest Rate is the rate of interest calculated for the relevant interest period or, if greater, the difference between the Automatic Early Redemption Percentage and the interest already paid. If no Automatic Early Redemption Event occurs, this Rate of Interest provides a payment at maturity that means the overall sum of all interest paid will be at least equal to the Automatic Early Redemption Percentage;*

3. *Capped and guaranteed - In this case, the Final Interest Rate is the Automatic Early Redemption Percentage less previous interest paid which means that the overall interest paid will be equal to the Automatic Early Redemption Percentage;*

4. *Not capped and not guaranteed – In this case, the Final Interest Rate is the interest calculated for the relevant Interest Period.*

- (b) If FI Underlying Automatic Early Redemption is specified as applicable in the applicable Final Terms,

CA

***Description of the Payout***

*If FI Underlying Automatic Early Redemption applies, the Notes redeem automatically if the Underlying Reference observed is greater than or equal to the lower barrier (the "Automatic Early Redemption Percentage Down") or less than or equal to the upper barrier (the "Automatic Early Redemption Percentage Up"). In this case, the Notes will be redeemed on the next Interest Payment Date. The Underlying Reference (which may be one or more Inflation Index/Indices or one or more Underlying Interest Rates) can be observed on specified dates or continuously during a period.*

*Each Note will redeem at an amount equal to the Calculation Amount and may pay either (i) the interest accrued up to the Interest Payment Date on which the Notes are redeemed, (ii) no interest or (iii) the interest accrued up to date on which the Automatic Early Redemption Event occurred.*

- (c) If FI Coupon Automatic Early Redemption is specified as applicable in the applicable Final Terms,

$$CA \times (100\% + (\text{Min}(\text{Coupon Cap}, \text{Final Coupon Rate}) \times \text{Final Day Count Fraction}))$$

#### **Description of the Payout**

*If FI Coupon Automatic Early Redemption applies, the Notes redeem automatically if the interest to be paid on an Interest Payment Date is greater than or equal to a target barrier, (the "Automatic Early Redemption Percentage").*

*The amount payable per Note comprises the Calculation Amount multiplied by 100% plus the interest calculated for the relevant Interest Period (which may be capped which means that the maximum interest that an investor may receive following an FI Coupon Automatic Early Redemption is equal to the Coupon Cap.*

### **1.5 Definitions for Fixed Income Automatic Early Redemption Payouts**

"**Coupon Cap**" means the percentage specified as such in the applicable Final Terms;

"**Cumulative Inflation Rate**" means  $\text{Inflation Index}_{(i)} / \text{Inflation Index}_{(\text{base})}$ ;

"**Final Interest Rate**" means:

- (a) if Capped and Guaranteed Applicable is specified in the applicable Final Terms, the Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable less Paid Coupon;
- (b) if Capped and Guaranteed Not Applicable is specified in the applicable Final Terms, the product of the Final Coupon Rate and the Final Day Count Fraction;
- (c) if Capped Only is specified in the applicable Final Terms:

$$\text{Min}(\text{Final Coupon Rate} \times \text{Final Day Count Fraction}, \text{Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable} - \text{Paid Coupon})$$

- (d) if Guaranteed Only is specified in the applicable Final Terms:

$$\text{Max}(\text{Final Coupon Rate} \times \text{Final Day Count Fraction}, \text{Automatic Early Redemption Percentage or Target Coupon Percentage, as applicable} - \text{Paid Coupon})$$

## 1.6 General definitions for Fixed Income Interest Rates, Final Payouts and Automatic Early Redemption Payouts

**"Best Value"** means, in respect of a FI Valuation Date, the highest Performance Value for any Subject Currency in the basket in respect of such FI Valuation Date;

**"CA"** means the Calculation Amount;

**"Cap"** means the percentage specified as such in the applicable Final Terms;

**"Current Interest Period"** means the Interest Period in which the relevant Automatic Early Redemption Valuation Date or in the case of the calculation of the FI Target Coupon, the Target Final Interest Period;

**"Digital Cap Percentage 1"** means the percentage specified as such in the applicable Final Terms;

**"Digital Cap Percentage 2"** means the percentage specified as such in the applicable Final Terms;

**"Digital Floor Percentage 1"** means the percentage specified as such in the applicable Final Terms;

**"Digital Floor Percentage 2"** means the percentage specified as such in the applicable Final Terms;

**"Digital Plus Percentage 1"** means the percentage specified as such in the applicable Final Terms;

**"Digital Plus Percentage 2"** means the percentage specified as such in the applicable Final Terms;

**"FI Constant Percentage 1"** means the percentage specified as such in the applicable Final Terms;

**"FI Digital Cap Condition"** means the FI Digital Value for the relevant FI Valuation Date is greater than or equal to the FI Digital Cap Level;

**"FI Digital Cap Level"** means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

**"FI Digital Floor Condition"** means the FI Digital Value for the relevant FI Valuation Date is less than or equal to the FI Digital Floor Level;

**"FI Digital Floor Level"** means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

**"FI Digital Plus Condition"** means the FI Digital Value for the relevant FI Valuation Date is greater than the FI Digital Plus Level;

**"FI Digital Plus Level"** means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

**"FI Digital Value"** means, in respect of a FI Valuation Date, the Performance Value, Worst Value, Best Value, Multi-Basket Value or Weighted Average FI Basket Value as specified in the applicable Final Terms;

**"FI Redemption Valuation Date"** means each Settlement Price Date specified as such in the applicable Final Terms;

**"FI Valuation Date"** means each FI Redemption Valuation Date or an FI Interest Valuation Date specified in the applicable Final Terms;

**"FI Weighting"** means, in respect of a Subject Currency, the number, amount or percentage specified as such for such Subject Currency in the applicable Final Terms;

**"Final Coupon Rate"** means the Rate of Interest calculated in respect of the Current Interest Period or Target Final Interest Period, as applicable (the **"Final Interest Period"**);

**"Final Day Count Fraction"** means the Day Count Fraction applicable to the Final Interest Period;

**"Final Settlement Price"** means (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Valuation Date or (ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates;

**"Floor"** means the percentage specified as such in the applicable Final Terms;

**"G"** means, in respect of a Subject Currency, the percentage specified as such for such Subject Currency in the applicable Final Terms;

**"Gearing"** means the percentage specified as such in the applicable Final Terms;

**"Gearing A"** means the percentage specified as such in the applicable Final Terms;

**"Gearing B"** means the percentage specified as such in the applicable Final Terms;

**"Initial Settlement Price"** means, in respect of a Subject Currency:

- (a) the amount specified as such in the applicable Final Terms; or
- (b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Subject Currency on the Strike Date; or
- (c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Subject Currency for all the Strike Days in the Strike Period;

**"Inflation Index<sub>(i)</sub>"** means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference in respect of the relevant FI Valuation Date;

**"Inflation Index<sub>(i-1)</sub>"** means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the immediately preceding FI Valuation Date (or, if none, the Strike Date);

**"Inflation Index<sub>(base)</sub>"** means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the Strike Date;

**"Inflation Rate"** means, in respect of a FI Valuation Date, YoY Inflation Rate or Cumulative Inflation Rate, as specified in the applicable Final Terms;

**"Multi-Basket Value"** means, in respect of a FI Valuation Date:

$$\sum_{j=1}^m \sum_{i=1}^n G_j * (W_i * Performance Value_i) ;$$

**"Paid Coupon"** means, in respect of an Automatic Early Redemption Valuation Date or Target Determination Date, the sum of the values calculated for each Interest Period as the product of (i) the

Rate of Interest and (ii) the Day Count Fraction, in each case calculated for such Interest Period preceding the Current Interest Period (in the case of an Automatic Early Redemption Valuation Date) or the Target Final Interest Period (in the case of a Target Determination Date);

**"Performance Value"** means, in respect of an FI Valuation Date:

- (a) if Performance Value 1 is specified in the applicable Final Terms,

Final Settlement Price – Initial Settlement Price;

- (b) if Performance Value 2 is specified in the applicable Final Terms,

Initial Settlement Price – Final Settlement Price;

- (c) if Performance Value 3 is specified in the applicable Final Terms,

$$\frac{(\text{Final Settlement Price} - \text{Initial Settlement Price})}{\text{Final Settlement Price}} ;$$

- (d) if Performance Value 4 is specified in the applicable Final Terms,

$$\frac{(\text{Initial Settlement Price} - \text{Final Settlement Price})}{\text{Final Settlement Price}} ;$$

- (e) if Performance Value 5 is specified in the applicable Final Terms,

$$\left( \frac{1}{\text{Initial Settlement Price}} \right) - \left( \frac{1}{\text{Final Settlement Price}} \right) ;$$

- (f) if Performance Value 6 is specified in the applicable Final Terms,

$$\left( \frac{1}{\text{Final Settlement Price}} \right) - \left( \frac{1}{\text{Initial Settlement Price}} \right) ;$$

- (g) if Performance Value 7 is specified in the applicable Final Terms,

$$\frac{(\text{Final Settlement Price} - \text{Initial Settlement Price})}{\text{Initial Settlement Price}} ;$$

- (h) if Performance Value 8 is specified in the applicable Final Terms,

$$\frac{(\text{Initial Settlement Price} - \text{Final Settlement Price})}{\text{Initial Settlement Price}} ;$$

- (i) if Performance Value 9 is specified in the applicable Final Terms,

$$\frac{\text{Final Settlement Price}}{\text{Initial Settlement Price}} ;$$

- (j) if Performance Value 10 is specified in the applicable Final Terms,

$$\frac{\text{Initial Settlement Price}}{\text{Final Settlement Price}} ;$$

**"Underlying Reference"** means, for the purposes of the Fixed Income Payouts, each Inflation Index, Subject Currency, Underlying Interest Rate or other basis of reference to which the relevant Notes relate;

**"Underlying Reference 1"** means the Underlying Reference specified as such in the applicable Final Terms;

**"Underlying Reference 2"** means the Underlying Reference specified as such in the applicable Final Terms;

**"Underlying Reference Closing Value"** means, in respect of a FI Interest Valuation Date:

(a) if the relevant Underlying Reference is an Inflation Index, the Relevant Level (as defined in the Inflation Index-Linked Note Conditions);

(b) if the relevant Underlying Reference is a rate of interest, the Underlying Reference Rate,

in each case in respect of such day;

**"W"** means, in respect of a Subject Currency, the FI Weighting for such Subject Currency;

**"Weighted Average FI Basket Value"** means, in respect of a FI Valuation Date, the sum of the values calculated for each Subject Currency in the basket as (a) the Performance Value for such Subject Currency for such FI Valuation Date (b) multiplied by the relevant FI Weighting; and

**"Worst Value"** means, in respect of a FI Valuation Date, the lowest Performance Value for any Subject Currency in the basket in respect of such FI Valuation Date.

## **2. SPS INTEREST RATES AND PAYOUTS**

### **2.1 SPS Interest Rates**

The following Interest Rate(s) will apply to the Notes if specified in the applicable Final Terms:

#### **(a) SPS Variable Amount Coupon**

If SPS Variable Amount Coupon is specified as applicable in the applicable Final Terms:

Rate<sub>(i)</sub>.

#### ***Description of Interest Rate***

*A SPS Variable Amount Coupon provides that the Notes bear or pay interest at a specified rate for the relevant period.*

### **2.2 SPS Final Payouts**

The following final payouts which when multiplied by the applicable Calculation Amount (each a **"Final Payout"**) will apply to the Notes if specified in the applicable Final Terms:

#### **(a) SPS Vanilla Products**

##### **(i) Vanilla Call Notes**

If the Notes are specified in the applicable Final Terms as being Vanilla Call Notes:



Constant Percentage 1 + Gearing<sub>(i)</sub> \* Max (Final Redemption Value - Strike Percentage<sub>(i)</sub>, Floor Percentage<sub>(i)</sub>)

**Description of Payout**

The Payout comprises:

- *if Gearing is positive, a fixed percentage equal to Constant Percentage 1 or, if Gearing is negative, no fixed percentage; and*
- *indexation to the value of the Underlying Reference(s) above the Strike Percentage.*

**(b) Indexation Products**

**(i) Certi plus: Generic Knock-in Notes**

If the Notes are specified in the applicable Final Terms as being Certi plus: Generic Knock-in Notes:

(A) if no Knock-in Event has occurred:

Constant Percentage 1 + Gearing Up × Option Up

(B) if a Knock-in Event has occurred:

Constant Percentage 2 + Gearing Down × Option Down

where:

**"Down Call"** means Max (Down Final Redemption Value – Down Strike Percentage; Down Floor Percentage);

**"Down Put"** means Max (Down Strike Percentage – Down Final Redemption Value; Down Floor Percentage);

**"Option Down"** means Down Put or Down Call as specified in the applicable Final Terms;

**"Option Up"** means Up Call or Up Put as specified in the applicable Final Terms;

**"Up Call"** means Max (Up Final Redemption Value – Up Strike Percentage; Up Floor Percentage);  
and

**"Up Put"** means Max (Up Strike Percentage – Up Final Redemption Value; Up Floor Percentage).

**Description of the Payout**

The Payout comprises:

- *if no Knock-in Event occurs, a fixed percentage and indexation to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level; or*
- *if a Knock-in Event occurs, a fixed percentage and indexation to the value of the Underlying Reference(s) (this value may differ from the value above) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).*

(c) **Other SPS Products**

(i) **SPS Securizer Notes**

If the Notes are specified in the applicable Final Terms as being SPS Securizer Notes:

- (A) if the SPS Lock-in Condition has not been satisfied:
  - (I) and no Knock-in Event has occurred, Constant Percentage 1; or
  - (II) but a Knock-in Event has occurred, the Final Redemption Value; or
- (B) if the SPS Lock-in Condition has been satisfied, Constant Percentage 2.

where:

**"SPS Lock-in Condition"** means:

- (a) where Underlying Reference Closing Price Value is specified as the SPS Lock-in Value in the applicable Final Terms, that the SPS Lock-in Value for the Underlying Reference for any SPS Lock-in Valuation Date is; or
- (b) where Underlying Reference Intraday Price Value is specified as the SPS Lock-in Value in the applicable Final Terms, that the SPS Lock-in Value for the Underlying Reference at any time on any SPS Lock-in Valuation Date is,

(A) (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the SPS Lock-in Level and (B) if a SPS Lower Lock-in Level is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the SPS Lower Lock-in Level.

**"SPS Lock-in Level"** means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms.

**"SPS Lock-in Valuation Date"** means each Settlement Price Date specified as such in the applicable Final Terms.

**"SPS Lock-in Value"** means, in respect of a SPS Lock-in Valuation Date, the value from Payout Condition 2.5 or 2.6 specified as such in the applicable Final Terms.

**"SPS Lower Lock-in Level"** means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms.

***Description of the Payout***

*The Payout comprises:*

- *if no SPS Lock-in Event has occurred and no Knock-in Event has occurred, 100 per cent.; or*
- *if no SPS Lock-in Event has occurred but a Knock-in Event has occurred, indexation to the value of the Underlying Reference(s); or*
- *if a SPS Lock-in Event has occurred, 100 per cent..*

(ii) **SPS Capped Twin Win Notes**

If the Notes are specified in the applicable Final Terms as being SPS Capped Twin Win Notes:

- (A) if the SPS Twin Win Value is greater than or equal to the SPS Twin Win Upper Barrier Level, Constant Percentage 1; or
- (B) if the SPS Twin Win Value is less than the SPS Twin Win Upper Barrier Level and greater than or equal to the SPS Twin Win Lower Barrier Level, the Final Redemption Value; or
- (C) if the SPS Twin Win Value is less than the SPS Twin Win Lower Barrier Level, and:
  - (I) a Knock-out Event has not occurred:  
$$\text{Constant Percentage 2} + [\text{Strike Percentage}_{(i)} - \text{Final Redemption Value}]$$
  - (II) a Knock-out Event has occurred, the Final Redemption Value

where:

**"SPS Twin Win Lower Barrier Level"** means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms.

**"SPS Twin Win Upper Barrier Level"** means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms.

**"SPS Twin Win Value"** means, in respect of a SPS Redemption Valuation Date, the value from Payout Conditions 2.5 or 2.6 specified as such in the applicable Final Terms.

***Description of the Payout***

*The Payout comprises:*

- *if the SPS Twin Win Value on the SPS Redemption Valuation Date is greater than or equal to the SPS Twin Win Upper Barrier Level, a specified percentage (equal to Constant Percentage 1); or*
- *if the SPS Twin Win Value on the SPS Redemption Valuation Date is less than the SPS Twin Win Upper Barrier Level and greater than or equal to the SPS Twin Win Lower Barrier Level, indexation to the value of the Underlying Reference(s); or*
- *if the Twin Win Value on the SPS Redemption Valuation Date is less than the Twin Win Lower Barrier Level and a Knock-out Event has not occurred, a fixed percentage (equal to Constant Percentage 2) plus indexation to the value of the Underlying Reference(s) below the Strike Percentage*
- *if the SPS Twin Win Value on the SPS Redemption Valuation Date is less than the SPS Twin Win Lower Barrier Level and a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s).*

(iii) **SPS Athena Notes**

If the Notes are specified in the applicable Final Terms as being SPS Athena Notes:

- (A) If SPS Athena Barrier Value is greater than or equal to the SPS Athena Barrier Level:  
100% + Constant Percentage 1; or
- (B) If SPS Athena Barrier Value is less than the SPS Athena Barrier Level and no Knock-in Event has occurred, Constant Percentage 2; or
- (C) If SPS Athena Barrier Value is less than the SPS Athena Barrier Level and a Knock-in Event has occurred, the Final Redemption Value.

where:

**"SPS Athena Barrier Level"** means, in respect of an Underlying Reference, the number, level or percentage specified as such in the applicable Final Terms.

**"SPS Athena Barrier Value"** means, in respect of an SPS Redemption Valuation Date, the value from Payout Condition 2.5 or 2.6 specified as such in the applicable Final Terms.

### ***Description of the Payout***

*The Payout comprises:*

- *if the SPS Athena Barrier Value on the SPS Redemption Valuation Date is greater than or equal to the SPS Athena Barrier Level, 100% plus a specified percentage (equal to Constant Percentage 1); or*
- *if the SPS Athena Barrier Value on the SPS Redemption Valuation Date is less than the SPS Athena Barrier Level and no Knock-in Event has occurred, a specified percentage (equal to Constant Percentage 2); or*
- *if the SPS Athena Barrier Value on the SPS Redemption Valuation Date is less than the SPS Athena Barrier Level and a Knock-in Event has occurred, indexation to the value of the Underlying Reference(s)*

## **2.3 Automatic Early Redemption Payouts**

- (a) If Automatic Early Redemption is specified as applicable in the applicable Final Terms and an Automatic Early Redemption Event occurs, if SPS Automatic Early Redemption Payout is specified in the applicable Final Terms, the Automatic Early Redemption Payout shall be:

$$CA \times (\text{AER Redemption Percentage} + \text{AER Exit Rate}),$$

Provided That if specified in the applicable Final Terms the SPS Automatic Early Redemption Payout will be subject to a cap of the Maximum SPS Automatic Early Redemption Payout and/or a floor of the Minimum SPS Automatic Early Redemption Payout, in each case specified in the applicable Final Terms.

- (b) **Definitions for SPS Automatic Early Redemption Payouts**

**"AER Exit Rate"** means, in respect of a SPS Valuation Date, the applicable AER Rate;

**"AER Rate"** is as defined in Index Linked Condition 6;

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

## 2.4 Definitions for SPS Interest Rates

**"Constant Percentage<sub>(i)</sub>"** means, in respect of a SPS Coupon Valuation Date, the percentage specified as such in the applicable Final Terms;

**"Coupon Value<sub>(i)</sub>"** means, in respect of an SPS Coupon Valuation Date or SPS Coupon Valuation Period, the value from Payout Conditions 2.5 or 2.6 specified as such in the applicable Final Terms;

**"Rate<sub>(i)</sub>"** means, in respect of a SPS Coupon Valuation Date, the Vanilla Call Rate or Vanilla Call Spread Rate specified in the applicable Final Terms;

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

**"Spread<sub>(i)</sub>"** means, in respect of a SPS Coupon Valuation Date, the percentage specified as such in the applicable Final Terms;

**"Vanilla Call Rate"** means:

$\text{Constant Percentage}(i) + \text{Gearing}(i) * \text{Max} (\text{Coupon Value}(i) - \text{Strike Percentage}(i) + \text{Spread}(i), \text{Floor Percentage}(i));$  and

**"Vanilla Call Spread Rate"** means:

$\text{Constant Percentage}(i) + \text{Gearing}(i) * \text{Min}(\text{Max} (\text{Coupon Value}(i) - \text{Strike Percentage}(i) + \text{Spread}(i), \text{Floor Percentage}(i)); \text{Cap Percentage}(i)).$

## 2.5 Simple Value and Performance Definitions for SPS Interest Rates and Final Payouts

### (a) Basic Value Definitions

**"Underlying Reference Closing Price Value"** means, in respect of a SPS Valuation Date, the Closing Level in respect of such day;

**"Underlying Reference Intraday Price Value"** means, in respect of an Underlying Reference and a SPS Valuation Date, the Intraday Level.

**"Underlying Reference Strike Price"** means, in respect of an Underlying Reference:

- (i) the amount specified as such in the applicable Final Terms; or
- (ii) if Strike Price Closing Value is specified as applicable in the applicable Final Terms, the Underlying Reference Closing Price Value for such Underlying Reference on the Strike Date.

### (b) Mono Underlying Reference Value Definitions

**"Performance"** means, in respect of an Underlying Reference and a SPS Valuation Date, (a) the Underlying Reference Value for such Underlying Reference in respect of such day minus (b) 100 per cent.;

**"Underlying Reference Value"** means, in respect of an Underlying Reference and a SPS Valuation Date, the Underlying Reference Closing Price Value for such Underlying Reference in respect of such SPS Valuation Date divided by the relevant Underlying Reference Strike Price, expressed as a percentage.

**"Underlying Reference Intraday Value"** means, in respect of an Underlying Reference and a SPS Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such SPS Valuation Date (ii) divided by the relevant Underlying Reference Strike Price, expressed as a percentage.

## **2.6 Average Values for SPS Interest Rates and Payouts**

### **(a) Mono Underlying Reference Value Definition**

**"Average Underlying Reference Value"** means, in respect of an Underlying Reference and a SPS Valuation Period, the arithmetic average of the Underlying Reference Value for such Underlying Reference for all the SPS Valuation Dates in such SPS Valuation Period.

## **2.7 Minimum/Maximum Values**

Any value specified in the applicable Final Terms and used in the calculation of any SPS Interest Rate and/or Payout or related provision may be subject to a cap of the Maximum Value and/or a floor of the Minimum Value, in each case specified in the applicable Final Terms.

## **2.8 General Definitions for SPS Interest Rates and Final Payouts**

**"CA"** means the Calculation Amount;

**"Cap Percentage<sub>(i)</sub>"** means, in respect of an SPS Valuation Date or SPS Valuation Period, the percentage specified as such in the applicable Final Terms;

**"Constant Percentage 1"** means the percentage specified as such in the applicable Final Terms;

**"Constant Percentage 2"** means the percentage specified as such in the applicable Final Terms;

**"Down Final Redemption Value"** means the value from Payout Conditions 2.5 or 2.6 specified as such in the applicable Final Terms;

**"Down Floor Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Down Strike Percentage"** means the percentage specified as such in the applicable Final Terms;

**"Final Redemption Value"** means the value from Payout Conditions 2.5 or 2.6 specified as such in the applicable Final Terms;

**"Floor Percentage<sub>(i)</sub>"** means, in respect of an SPS Valuation Date or SPS Valuation Period, the percentage specified as such in the applicable Final Terms;

**"Gearing<sub>(i)</sub>"** means, in respect of an SPS Valuation Date or SPS Valuation Period, the percentage specified as such in the applicable Final Terms;

**"Gearing Down"** means the percentage specified as such in the applicable Final Terms;

**"Gearing Up"** means the percentage specified as such in the applicable Final Terms;

**"i"** means the relevant SPS Valuation Date or SPS Valuation Period;

**"Redemption Payout"** means the Final Payout specified in the applicable Final Terms;

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

**"SPS Redemption Valuation Period"** means each period specified as such in the applicable Final Terms;

**"SPS Valuation Date"** means each SPS Coupon Valuation Date, SPS Redemption Valuation Date, Knock-in Determination Day, Lock-in Valuation Date, Automatic Early Redemption Valuation Date, Strike Day or Strike Date specified as such in the applicable Final Terms;

**"SPS Valuation Period"** means each SPS Coupon Valuation Period, Automatic Early Redemption Valuation Period, SPS Redemption Valuation Period or Knock-in Determination Period specified in the applicable Final Terms;

**"Strike Percentage<sub>(i)</sub>"** means the percentage specified as such in the applicable Final Terms;

**"Underlying Reference"** means, for the purposes of the SPS Payouts and Interest Rates, the Index or other basis of reference to which the relevant Notes relate;

**"Up Final Redemption Value"** means the value from Payout Conditions 2.5 or 2.6 specified as such in the applicable Final Terms;

**"Up Floor Percentage"** means the percentage specified as such in the applicable Final Terms; and

**"Up Strike Percentage"** means the percentage specified as such in the applicable Final Terms.

### 3. FORMULAE CONSTITUENTS AND COMPLETION

The constituent parts (each a **"Formula Constituent"**) of any formula (each a **"Formula"**) used in the Payout Conditions and which are to be specified in the applicable Final Terms may be replaced in the applicable Final Terms by the prescribed amount, level, percentage or other value, as applicable for such Formula Constituent.

If a Formula Constituent has a value of either 0 (zero) or 1 (one), or is not applicable in respect of the relevant Notes, then the related Formula may be simplified in the applicable Final Terms by deleting such Formula Constituent.

Any number or percentage to be specified in the applicable Final Terms for the purposes of these Payout Conditions may be a positive or negative, as specified in the applicable Final Terms.

### 4. CALCULATION AGENT

Unless otherwise specified, the calculation or determination of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised pursuant to these Payout Conditions will be calculated, determined, formed or exercised by the Calculation Agent.

Any calculation, determination, formation of any opinion or exercise of any discretion by the Calculation Agent pursuant to the Notes shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, to the extent permitted by any applicable law, *inter alia*, decide issues of construction and legal interpretation. In performing its duties pursuant to the Notes, the Calculation Agent shall, unless otherwise specified, act in good faith and in a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent or the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability (to the

extent permitted by any applicable law) in respect of, or consequent upon, any such delay, deferral or forbearance.



## SCHEDULE 2

### ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX-LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Inflation Index-Linked Interest Notes or Inflation Index-Linked Redemption Notes (together, "**Inflation Index-Linked Notes**") shall comprise either (i) the terms and conditions of the Euro Notes (the "**Euro Note Conditions**") or (ii) the terms and conditions of the Luxembourg Notes (the "**Luxembourg Note Conditions**") and, together with the Euro Note Conditions, the "**Note Conditions**") and, in each case, the additional Terms and Conditions for Inflation Index-Linked Notes set out below (the "**Inflation Index-Linked Note Conditions**") together with any other additional terms and conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Inflation Index-Linked Note Conditions, the Inflation Index-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Inflation Index-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

#### 1. Delay in Publication

1.1 If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the "**Substitute Inflation Index Level**") shall be determined by the Calculation Agent (subject to Inflation Index-Linked Note Condition 3.2 (*Substitute Inflation Index Level*) below, as follows:

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

Substitute Inflation Index Level = Base Level  $\times$  (Latest Level/Reference Level); or

- (c) in the case of Exempt Notes only, otherwise in accordance with any formula specified in the relevant Final Terms;

where:

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

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

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

- 1.2 The Issuer shall promptly give notice to the Noteholders in accordance with Note Condition Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, of any Substitute Inflation Index Level.
- 1.3 If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Index-Linked Note Condition 1 will be the definitive level for that Reference Month.

## **2. Successor Inflation Index**

- 2.1 If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a successor index (a "**Successor Inflation Index**") (in lieu of any previously applicable Index) for the purposes of the Notes as follows:
- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Inflation Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
  - (b) if (i) Related Bond is specified as not applicable in the applicable Final Terms or (ii) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a "Successor Inflation Index";
  - (c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if fewer than three responses are received by the Cut-Off Date or if each of the responses received state different indices the Calculation Agent will determine an appropriate alternative index for such affected payment date, and such index will be deemed a "Successor Inflation Index"; or
  - (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Inflation Index and an Index Cancellation will be deemed to have occurred.
- 2.2 For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Index for the purposes of the Inflation Index-Linked Notes. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to Noteholders of the Inflation Index-Linked Notes by the Issuer in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3. Adjustments**

#### **3.1 Successor Inflation Index**

If a Successor Inflation Index is determined in accordance with Inflation Index-Linked Note Condition 2 (*Successor Inflation Index*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Notes and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

#### **3.2 Substitute Inflation Index Level**

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Index-Linked Note Condition 1 (*Delay in Publication*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (a) the Substitute Inflation Index Level determined in accordance with Inflation Index-Linked Note Condition 1 (*Delay in Publication*) above and/or (b) any amount payable under the Notes and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

#### **3.3 Index Level Adjustment Correction**

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index-Linked Note Condition 3.6 (*Index Modification*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index ("CPI") and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Noteholders of any valid revision in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.
- (b) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Notes and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Noteholders of any such adjustment and/or amount in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.
- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (ii) make any adjustment to any amount payable under the Notes and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Noteholders of any determination in respect of (i) or (ii), together with

any adjustment or amount in respect thereof, in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3.4 Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any amount payable under the Notes and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to such amount and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3.5 Rebasing**

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (a) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (b) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to any relevant amount payable under the Notes and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (a) nor (b) above would produce a commercially reasonable result, the Issuer may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, at its fair market value as determined by the Calculation Agent as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3.6 Index Modification**

- (a) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Notes (including, without limitation, any amount payable under the Notes), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (ii) if Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Notes (including, without limitation, any amount payable under the Notes), as the Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.
- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index

Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of paragraph (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with paragraph (a) above.

### **3.7 Consequences of an Additional Disruption Event or an Optional Additional Disruption Event**

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the Issuer may redeem each Note on the date notified by such Issuer to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the relevant Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Notes shall be given to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

### **3.8 Index Cancellation**

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

## **4. Definitions**

**"Additional Disruption Event"** means each of Change in Law and Hedging Disruption.

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

- (a) has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;

**"Cut-Off Date"** means, in respect of a Determination Date, three Business Days prior to such Determination Date, unless otherwise stated in the applicable Final Terms;

**"Delayed Index Level Event"** means, in respect of any Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the **"Relevant Level"**) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer or the Calculation Agent in respect of such Determination Date, at any time on or prior to the Cut-Off Date.

**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date

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

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

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

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

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

**"Index Sponsor"** means the entity that publishes or announces (directly or through an agent) the level of the relevant Inflation Index which as of the Issue Date of the first Tranche of the Notes is the index sponsor in the applicable Final Terms.

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

**"Optional Additional Disruption Event"** means Increased Cost of Hedging, if specified in the applicable Final Terms.

**"Rebased Index"** has the meaning given to it under Inflation Index-Linked Note Condition 3.5.

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

**"Related Bond"** means the bond specified as such in the relevant Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond

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

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

**"Relevant Level"** has the meaning given to it in the definition of Delayed Index Level Event.

**"Strike Date"** means the date specified as such in the applicable Final Terms.

**"Successor Inflation Index"** has the meaning given to it in Inflation Index-Linked Note Condition 2.

**"Substitute Inflation Index Level"** means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Inflation Index-Linked Note Condition 1.1.

### SCHEDULE 3

#### ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN EXCHANGE (FX) RATE-LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Foreign Exchange (FX) Rate-Linked Interest Notes or Foreign Exchange (FX) Rate-Linked Redemption Notes (together, "**Foreign Exchange (FX) Rate-Linked Notes**") shall comprise either (i) the terms and conditions of Notes (the "**Euro Note Conditions**") or (ii) the terms and conditions of the Luxembourg Notes (the "**Luxembourg Note Conditions**" and, together with the Euro Note Conditions, the "**Note Conditions**") and, in each case, the additional Terms and Conditions for Foreign Exchange (FX) Rate-Linked Notes set out below (the "**Foreign Exchange (FX) Rate-Linked Note Conditions**") together with any other additional terms and conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Foreign Exchange (FX) Rate-Linked Note Conditions, the Foreign Exchange (FX) Rate-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Foreign Exchange (FX) Rate-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

#### 1. Disruption Events

1.1 Unless, in the case of Exempt Notes only, otherwise stated in the applicable Pricing Supplement, the occurrence of any of the following events, in respect of any Base Currency, Subject Currency and/or Subject Currencies, shall be a Disruption Event:

- (a) Price Source Disruption;
- (b) Illiquidity Disruption;
- (c) Dual Exchange Rate;
- (d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) or (c); or
- (e) in the case of Exempt Notes only, any other event specified in the applicable Pricing Supplement.

1.2 The Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

#### 2. Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on an Averaging Date or any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall, in its sole and absolute discretion:

- (a) apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.



**"Disruption Fallback"** means a source or method that may give rise to an alternative basis for determining the Settlement Price in respect of a Base Currency, Subject Currency and/or Subject Currencies when a Disruption Event occurs or exists on a day that is an Averaging Date or a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (i), (ii) or (iii) below.

- (i) if an Averaging Date or any Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Averaging Date or Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of any Settlement Price Date) or Valid Date (in the case of an Averaging Date or Settlement Price Date that is not the Strike Date) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Averaging Date or Settlement Price Date, as the case may be, is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date or Settlement Price Date, as the case may be (irrespective, in the case of an Averaging Date or Settlement Price Date, of whether that last consecutive Scheduled Trading Day is already an Averaging Date or Settlement Price Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Base Currency, Subject Currency and/or Subject Currencies as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or
- (ii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, if Delayed Redemption on the Occurrence of a Disruption Event is specified as being not applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be,; or
- (iii) if an Averaging Date or any Settlement Price Date is a Disrupted Day but is not the Redemption Valuation Date, if Delayed Redemption on the Occurrence of a Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the **"Calculated Foreign Exchange (FX) Disruption Amount"**) as soon as practicable following the occurrence of the Disruption Event (the **"Calculated Foreign Exchange (FX) 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 Foreign Exchange (FX) Disruption Amount plus interest accrued from and including the Calculated Foreign Exchange (FX) Disruption Amount Determination Date to but excluding the Maturity Date at a rate equal to the 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, its nominal amount; and/or

- (b) notwithstanding any provisions in the Conditions to the contrary, postpone any payment date related to such Averaging Date or Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be provided or announced by the Price Source), as the case may be (including, if applicable, the Maturity Date) until the Business Day following the date on which a Disruption Event is no longer subsisting and no interest or other amount shall be paid by the Issuer in respect of such postponement.

### 3. **Settlement Price**

**"Settlement Price"** means, in respect of a Subject Currency and a Settlement Price Date or Averaging Date, and subject to Foreign Exchange (FX) Rate-Linked Note Condition 2 above, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on such Settlement Price Date or Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date or Averaging Date of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent). Provided That if the relevant rate of exchange is derived from two or more rates of exchange, the Settlement Price shall be calculated by the Calculation Agent as provided above acting in good faith and in a commercially reasonable manner on the basis of each such rate of exchange.

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

- 4.1 If "Knock-in Event" is specified as applicable in the Final Terms, then any payment under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.
- 4.2 If "Knock-out Event" is specified as applicable in the Final Terms, then any payment under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 4.3 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if a Disruption Event has occurred on any Knock-in Determination Day or Knock-out Determination Day, then, unless Disruption Consequences are specified in the applicable Final Terms as not applicable, 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.
- 4.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours for the Base Currency, Subject Currency and/or Subject Currencies 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 Subject Currency or Subject Currencies trigger the Knock-in Level or the Knock-out Level, a Disruption Event occurs or exists, then, unless Disruption Consequences are specified in the applicable Final Terms as not applicable, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.
- 4.5 Definitions relating to Knock-in Event/Knock-out Event.

**"Knock-in Determination Day"** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period.

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

**"Knock-in Event"** means (a) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (b) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (i) the value of such Subject Currency as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant Weighting is, in each case (A)(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level, or (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 price, level, amount, percentage or value specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions set forth in Foreign Exchange (FX) Rate-Linked Note Condition 1 and Foreign Exchange (FX) Rate-Linked Note Condition 2.

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

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

**"Knock-in Range Level"** means the range of levels specified as such or otherwise determined in the applicable Final Terms.

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

**"Knock-out Determination Day"** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during 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) in the case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is or (b) in the case of a basket of Subject Currencies, that the amount determined by the Calculation Agent equal to the sum of the values of each Subject Currency as the product of (i) the value of such Subject Currency as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant Weighting is, in each case (A)(i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level, or (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 price, level, amount, percentage or value specified as such in the applicable Final Terms, subject to adjustment in accordance with Foreign

Exchange (FX) Rate-Linked Note Condition 1 and Foreign Exchange (FX) Rate-Linked Note Condition 2.

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

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

**"Knock-out 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.

## **5. Automatic Early Redemption Event**

If Automatic Early Redemption is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if (i) on 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.

### **Definitions**

**"Automatic Early Redemption Amount"** means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. 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 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) in case of a single Subject Currency, that the value of the Subject Currency determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on any Automatic Early Redemption Valuation Date is, and (b) in the case of a Basket of Subject Currencies, the amount determined by the Calculation Agent equal to the sum of the values for each Subject Currency as the product of (i) the value of such Subject Currency as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on any Automatic Early Redemption Valuation Date and (ii) the relevant Weighting is, in each case (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Level as specified in the Final Terms.

**"Automatic Early Redemption Level"** means the value, price, level or 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 or if that is not a Scheduled Trading Day, the next following Scheduled Trading Day unless in the opinion of the Calculation Agent a Disruption Event occurs on that day. If a Disruption Event occurs on that day then the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply mutatis mutandis as if references

in such provisions to "Settlement Price Date" were to "Automatic Early Redemption Valuation Date".

**"Automatic Early Redemption Valuation Period"** means the period specified as such in the applicable Final Terms.

**"Automatic Early Redemption Valuation Time"** has the meaning given it in the applicable Final Terms.

## **6. Consequences of an Additional Disruption Event and/or an Optional Additional Disruption Event**

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the Issuer may redeem the Notes by giving notice to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him, which amount shall be the fair market value of a Note taking into account the Additional Disruption Event and/or the Optional Additional Disruption Event, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be.

**"Additional Disruption Event"** means each of Change in Law and Hedging Disruption.

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

(a) it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or

(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;

**"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 options contract(s) it deems necessary to hedge the equity price risk and 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) or asset(s) or any futures or options contract(s) or any relevant hedge positions relating to the Notes.

**"Increased Cost of Hedging"** means that the Issuer and/or any of its respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased

amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its respective Affiliates shall not be deemed an Increased Cost of Hedging.

**"Optional Additional Disruption Event"** means Increased Cost of Hedging, if specified in the applicable Final Terms.

## 7. Definitions

**"Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply.

**"Dual Exchange Rate"** means that any of the Base Currency, Subject Currency and/or Subject Currencies, splits into dual or multiple currency exchange rates.

**"Disrupted Day"** means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred.

**"FX Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"FX Digital Level"** means:

- (a) if FX Digital Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all the FX Averaging Dates;
- (b) if Single Resettable Level is specified as applicable in the applicable Final Terms, the Settlement Price on the FX Digital Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Level is specified as applicable in the applicable Final Terms, in respect of a Resettable Period, the Settlement Price on the FX Digital Observation Date specified for such Resettable Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

**"FX Knock-in Level"** means:

- (a) if Knock-in Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-in Averaging Dates;
- (b) if Single Resettable Knock-in is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-in Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Knock-in is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-in Period, the Settlement Price on the Knock-in Observation Date specified for such Resettable Knock-in Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

**"FX Digital Observation Date"** means each date specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"FX Knock-out Level"** means:

- (a) if Knock-out Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-out Averaging Dates;
- (b) if Single Resettable Knock-out is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-out Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Knock-out is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-out Period, the Settlement Price on the Knock-out Observation Date specified for such Resettable Knock-out Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

**"Illiquidity Disruption"** means the occurrence of any event in respect of any of the Base Currency, Subject Currency and/or Subject Currencies whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Issuer to hedge its obligations under the Notes (in one or more transaction(s)) on the relevant Averaging Date or any Settlement Price Date (or, if different, the day on which rates for such Averaging Date or Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source);

**"Knock-in Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the

Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"Knock-out Averaging Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"Knock-in Observation Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"Knock-out Observation Date"** means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"Price Source"** means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the applicable Final Terms;

**"Price Source Disruption"** means that it becomes impossible to obtain the rate or rates from which the Settlement Price is calculated;

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

**"Resettable Knock-in Period"** means the period specified as such in the applicable Final Terms;

**"Resettable Knock-out Period"** means the period specified as such in the applicable Final Terms;

**"Scheduled Trading Day"** means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign



exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Subject Currency or Subject Currencies;

**"Settlement Price Date"** means each Strike Date, Strike Day, FX Averaging Date, FX Digital Observation Date, Knock-in Averaging Date, Knock-out Averaging Date, Knock-in Observation Date, Knock-out Observation Date or Valuation Date, as the case may be;

**"Specified Maximum Days of Disruption"** means the number of days specified in the applicable Final Terms, or if not so specified, five Scheduled Trading Days;

**"Strike Date"** means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"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;

**"Valuation Date"** means any Interest Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Foreign Exchange (FX) Rate-Linked Note Condition 2 (*Consequences of a Disruption Event*) shall apply;

**"Valuation Time"** means, unless otherwise specified in the applicable Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated; and

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

## SCHEDULE 4

### ADDITIONAL TERMS AND CONDITIONS FOR UNDERLYING INTEREST RATE-LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Notes specified in the applicable Final Terms as Underlying Interest Rate-Linked Interest Notes or Underlying Interest Rate-Linked Redemption Notes (together, "**Underlying Interest Rate-Linked Notes**") shall comprise either (i) the terms and conditions of Notes (the "**Euro Note Conditions**") or (ii) the terms and conditions of the Luxembourg Notes (the "**Luxembourg Note Conditions**" and, together with the Euro Note Conditions, the "**Note Conditions**") and, in each case, the additional Terms and Conditions for Underlying Interest Rate-Linked Notes set out below (the "**Underlying Interest Rate-Linked Note Conditions**") together with any other additional terms and conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion and/or (in the case of Exempt Notes only) amendment in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Underlying Interest Rate-Linked Note Conditions, the Underlying Interest Rate-Linked Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Underlying Interest Rate-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

#### 1. Underlying Interest Rate Determination

In respect of each Underlying Interest Determination Date specified in the applicable Final Terms, the Underlying Interest Rate will be determined in the manner specified in the applicable Final Terms.

#### 2. ISDA Determination

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

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

For the purposes of these Underlying Interest Rate-Linked Note Conditions, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

### 3. **Screen Rate Determination**

Where Screen Rate Determination is specified in the relevant Final Terms as being the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference 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 Underlying Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time (Underlying) 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 Underlying Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Underlying Margin (if any), all as determined by the Calculation 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 Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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 (Underlying) indicated above or in the applicable Final Terms, the Calculation Agent will determine the Underlying Reference Rate as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and using its reasonable judgment.

### 4. **Determination of Underlying Interest Rate**

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

### 5. **Minimum and/or Maximum Underlying Reference Rate**

- 5.1 If the applicable Final Terms specifies a Minimum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate-Linked Note Conditions 2 or 3 above (as appropriate) is less than such Minimum Underlying Reference Rate, the Underlying Reference Rate shall be such Minimum Underlying Reference Rate.
- 5.2 If the applicable Final Terms specifies a Maximum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate-Linked Note Conditions 2 or 3 above (as appropriate) is greater than such Maximum Underlying Reference Rate, the Underlying Reference Rate shall be such Maximum Underlying Reference Rate.

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

- 6.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then any payment 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.
- 6.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then any payment 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.
- 6.3 Definitions relating to Knock-in Event/Knock-out Event

**"Knock-in Determination Day"** means the date(s) specified as such in the applicable Final Terms, or each Business Day during the Knock-in Determination Period.

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

**"Knock-in Event"** means (a) in respect of a single Underlying Interest Rate, that the Underlying Reference Rate determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; and (b) in respect of a Basket of Underlying Interest Rates, that the amount determined by the Calculation Agent equal to the sum of the values calculated for each Underlying Interest Rate as the product of (i) the Underlying Reference Rate as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant Weighting is, in each case, (A)(I) "greater than", (II) "greater than or equal to", (III) "less than" or (IV) "less than or equal to" the Knock-in Level; or (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (i) on a Knock-in Determination Date or (ii) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms.

**"Knock-in Level"** means the level, amount, price or percentage specified as such in the applicable Final Terms.

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

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

**"Knock-in Range Level"** means the level specified as such or otherwise determined 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.

**"Knock-out Determination Day"** means the date(s) as specified in the applicable Final Terms, or each Business Day during 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) in respect of a single Underlying Interest Rate, that the Underlying Reference Rate determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; and (b) in respect of a Basket of Underlying Interest Rates, that the

amount determined by the Calculation Agent equal to the sum of the values for each Underlying Interest Rate as the product of (i) the Underlying Reference Rate as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant Weighting is, in each case (A)(I) "greater than", (II) "greater than or equal to", (III) "less than", or (IV) "less than or equal to" the Knock-out Level; or (B) "within" the Knock-out Range Level, in each case as specified in the applicable Final Terms (i) on a Knock-out Determination Day or (ii) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms.

**"Knock-out Level"** means the level, amount, price or percentage specified as such or otherwise determined in the applicable Final Terms.

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

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

**"Knock-out Valuation Time"** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms.

## **7. Automatic Early Redemption Event**

If Automatic Early Redemption is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if (i) on 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.

### **Definitions**

**"Automatic Early Redemption Amount"** means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the Automatic Early Redemption Payout set out in the applicable Final Terms. 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 is specified as applicable in the applicable Final Terms, that (A) in the case of a single Underlying Reference, the Underlying Reference Level or (B) in the case of a Basket of Underlying References, the Basket Price 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 as specified in the applicable Final Terms;

**"Automatic Early Redemption Level"** means the amount, price, percentage or level specified as such in the applicable Final Terms.

**"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 or, if such date is not a Business Day, the next following Business Day.

**"Automatic Early Redemption Valuation Period"** means the period specified as such in the applicable Final Terms.

**"Automatic Early Redemption Valuation Time"** has the meaning given it in the applicable Final Terms.

**"Basket Price"** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference comprising the Basket as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early 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.

**"Underlying Reference Level"** means, in respect of any Automatic Early Redemption Valuation Date, the Underlying Reference Rate, as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on such Automatic Early Redemption Valuation Date;

**8. Automatic Early Redemption Event Accrual**

Notwithstanding Condition 5.4 (in the case of the Euro Notes) or Condition 4.4 (in the case of the Luxembourg Notes), 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.

**9. Definitions**

"**Strike Day**" means each date specified as such in the applicable Final Terms;

"**Strike Date**" means the date specified as such in the applicable Final Terms; and

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

## SCHEDULE 5

### ADDITIONAL TERMS AND CONDITIONS FOR EQUITY INDEX LINKED NOTES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Equity Index-Linked Interest Notes or Equity Index-Linked Redemption Notes (together, "**Equity Index Linked Notes**") shall comprise either (i) the terms and conditions of the Notes (the "**Euro Note Conditions**") or (ii) the terms and conditions of the Luxembourg Notes (the "**Luxembourg Note Conditions**" and, together with the Euro Note Conditions, the "**Note Conditions**"), as specified as applicable in the applicable Final Terms, and, in each case, the additional terms and conditions for Equity Index-Linked Notes set out below (the "**Equity Index-Linked Conditions**"), together with any other additional terms and conditions specified in the applicable Final Terms, the Payout Conditions and subject to completion in the applicable Final Terms. In the event of any inconsistency between (a) the Note Conditions and (b) the Equity Index-Linked Conditions, the Equity-Index Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Equity Index-Linked Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

#### 1. Market Disruption

"**Market Disruption Event**" means:-

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

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of such Equity Index shall be based on a comparison of (x) the portion of the level of the Equity Index attributable to that Component Security to (y) the



overall level of such Equity Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Equity Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the level of such Equity Index triggers respectively the Knock-in Level or the Knock-out Level or (b) in all other circumstances ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Equity Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Equity Index at any time, then the relevant percentage contribution of that security to the level of such Equity Index shall be based on a comparison of (x) the portion of the level of such Equity Index attributable to that security and (y) the overall level of the Equity Index, in each case immediately before the occurrence of such Market Disruption Event. The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

## **2. Adjustments to an Equity Index**

### **2.1 Successor Index Sponsor Calculates and Reports an Equity Index**

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

### **2.2 Modification and Cessation of Calculation of an Equity Index**

If (i) on or prior to the Strike Date, the last Averaging Date, the last Observation Date, the last Valuation Date, the last Knock-in Determination Day or the last Knock-out Determination Day, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Equity Index or in any other way materially modifies that Equity Index (other than a modification prescribed in that formula or method to maintain that Equity Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Equity Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on the Strike Date, an Averaging Date, an Observation Date, a Valuation Date, a Knock-in Determination Day or a Knock-out Determination Day, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Equity Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**") then,

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant value, level or price using, in lieu of a published level for that Equity Index, the level for that Equity Index as at the Valuation Time on that Strike Date, that Valuation Date, Observation Date, Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Equity Index last in effect prior to the change, failure or cancellation, but using only those

securities that comprised that Equity Index immediately prior to that Index Adjustment Event; or

- (b) unless Delayed Redemption on the Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13; or
- (c) if Delayed Redemption on the Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment 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 Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Maturity Date at a rate equal to the 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, at its nominal amount.

## 2.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination made by it pursuant to paragraph 2.2 above and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Noteholders copies of any such determinations.

## 3. Correction of Equity Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Notes calculated by reference to the level of an Equity Index, if the level of the Equity Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (i) in respect of a Composite Index, no later than five Exchange Business Days following the date of the original publication or, (ii) in respect of an Equity Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Equity Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Notes calculated by reference to the level of the Equity Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

## 4. Additional Disruption Events and Optional Additional Disruption Events

- 4.1 If 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), (b) or (if applicable) (c) below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the Weighting and/or any of the other terms of these Equity Index-Linked Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, and determine the effective date of that adjustment; or
- (b) unless Delayed Redemption on the Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, is specified as being applicable in the applicable Final Terms, redeem the Notes by giving notice to Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be; or
- (c) if Delayed Redemption on the 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, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, (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 the 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, at its nominal amount.

4.2 Upon the occurrence of an Additional Disruption Event and/or an 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 Noteholders in accordance with Euro Note Condition 14 or Luxembourg Note Condition 13, as the case may be, stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

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

- 5.1 If "**Knock-in Event**" is specified as applicable in the applicable Final Terms, then any payment 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.
- 5.2 If "**Knock-out Event**" is specified as applicable in the applicable Final Terms, then any payment 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.
- 5.3 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out

Determination Day at any time during the one hour period that begins or ends at the Valuation Time the level of the Equity Index triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then 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 of the Equity Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

- 5.4 If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the level of the Equity Index triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then 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 of the Equity Index as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

## 5.5 Definitions

**"Knock-in Determination Day"** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period.

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

in each case (A)(a) "greater than", (b) "greater than or equal to", (c) "less than" or (d) "less than or equal to" the Knock-in Level; or (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 any knock-in Determination Period, as specified in the applicable Final Terms.

**"Knock-in 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

Equity Index-Linked Condition 1 (*Market Disruption*) and Equity Index-Linked Condition 2 (*Adjustments to an Equity Index*).

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

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

**"Knock-in 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 Equity Index-Linked Condition 1 (*Market Disruption*) and Equity Index-Linked Condition 2 (*Adjustments to an Equity Index*).

**"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 2.5 or 2.6 specified as such in the applicable Final Terms.

**"Knock-out Determination Day"** means the date(s) as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period.

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

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

Equity Index-Linked Condition 1 (*Market Disruption*) and Equity Index-Linked Condition 2 (*Adjustments to an Equity Index*) above.

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

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

**"Knock-out 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 2.5 or 2.6 specified as such in the applicable Final Terms.

## **6. Automatic Early Redemption**

If Automatic Early Redemption is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if (i) on 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.

### **Definitions**

**"Automatic Early Redemption Amount"** means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount 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.

**"AER Event 1 Underlying(s)"** mean the Equity Index or each Equity Index comprising the Basket in each case specified as such in the applicable Final Terms.

**"AER Event 2 Underlying(s)"** mean the Equity Index or each Equity Index 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 Date"** means 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 SPS AER Valuation is specified as applicable in the applicable Final Terms:
  - (i) if Automatic Early Redemption Event 1 is specified as applicable in the applicable Final Terms, 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**"); or
- (b) if SPS AER Valuation is specified as not applicable in the applicable Final Terms:
  - (i) if Automatic Early Redemption Event 1 is specified as applicable in the applicable Final Terms, (A) if AER Event 1 Basket is specified as not applicable in the applicable Final Terms, the level of the relevant AER Event 1 Underlying determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on the relevant AER 1 Redemption Valuation Date is or (B) if AER Event 1 Basket is specified as applicable in the applicable Final Terms, the amount determined by the Calculation Agent equal to the sum of the values of each AER Event 1 Underlying comprising the Basket as the product of (x) the level of such AER Event 1 Underlying as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on the relevant AER 1 Redemption Valuation Date and (y) the relevant Weighting 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 level of the relevant AER Event 2 Underlying determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on the relevant AER 2 Redemption Valuation Date is or (B) if AER Event 2 Basket is specified as applicable in the applicable Final Terms, the amount determined by the Calculation Agent equal to the sum of the values of each AER Event 2 Underlying comprising the Basket as the product of (x) the level of such AER Event 2 Underlying as determined by the Calculation Agent as of the Automatic Early Redemption Valuation Time on the relevant AER 2 Redemption Valuation Date and (y) the relevant Weighting 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 1"** means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to Equity Index-Linked Condition 2 (*Adjustment to an Equity Index*) above.

**"Automatic Early Redemption Level 2"** means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to Equity Index-Linked Condition 2 (*Adjustment to an Equity Index*) above.

**"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, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date".

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

**"SPS AER Value 1"** means, in respect of an Automatic Early Redemption Valuation Date or Automatic Early Redemption Valuation Period, the value from Payout Condition 2.5 or 2.6 specified as such in the applicable Final Terms.

**"SPS AER Value 2"** means, in respect of an Automatic Early Redemption Valuation Date or Automatic Early Redemption Valuation Period, the value from Payout Condition 2.5 or 2.6 specified as such in the applicable Final Terms.

## **7. Definitions**

**"Additional Disruption Event"** means each of Change in Law and Hedging Disruption.

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

**"Averaging Date"** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **"Omission"** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant value, level or price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price, value or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **"Postponement"** is specified as applying in the applicable Final Terms, then the provisions of the definition of **"Valuation Date"** will apply for the purposes of determining the relevant level, price, value or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or



- (c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then:
- (i) where the Notes are Equity Index Linked Notes relating to a single Equity Index, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant amount, level, value or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "**Valuation Date**" below;
  - (ii) where the Notes are Equity Index Linked Notes relating to a Basket of Equity Indices, the Averaging Date for each Equity Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Equity Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Equity Index. If the first succeeding Valid Date in relation to such Equity Index has not occurred for a number of consecutive Scheduled Trading days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date) in respect of such Equity Index, and (B) the Calculation Agent shall determine the relevant value, level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "**Valuation Date**" below; and
  - (iii) for the purposes of these Terms and Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Basket of Equity Indices**" means a basket composed of each Equity Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial 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 positions relating to an Equity Index); 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 relevant hedge position relating to an Equity Index.

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant securities.

**"Clearance System Days"** means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

**"Closing Level"** means, in respect of an Equity Index and a Scheduled Trading Day, the official closing level of such Equity Index on such day as determined by the Calculation Agent, subject as provided in Equity Index-Linked Condition 2 (Adjustments to an Equity Index).

**"Component Security"** means, in respect of a Composite Index, each component security of such Index.

**"Composite Index"** means any Equity Index specified as such in the applicable Final Terms, or if not specified, any Equity Index the Calculation Agent determines as such.

**"Disrupted Day"** means:

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

**"Early Closure"** means:

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

**"Equity Index"** and **"Equity Indices"** mean, subject to adjustment in accordance with these Equity Index-Linked Conditions, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

**"Exchange"** means:

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

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

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

**"Exchange Business Day (Per Index Basis)"** means:

- (a) in the case of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of such Composite Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time; and
- (b) in any other case, any Scheduled Trading Day on which the relevant Exchange and Related Exchange in respect of such Equity Index are open for trading during their respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time.

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

**"Exchange Disruption"** means:

- (a) in the case of any Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (A) any Component Security on

the Exchange in respect of such Component Security; or (B) in futures or options contracts relating to such Equity Index on the Related Exchange; and

- (b) in the case of any Equity Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Equity Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Equity Index on any relevant Related Exchange.

**"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 options contract(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer or 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) or asset(s) or futures or option contract(s) or any relevant hedge positions relating to an Equity Index.

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

**"Increased Cost of Stock Borrow"** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any security comprised in an Equity Index that is greater than the Initial Stock Loan Rate.

**"Index Correction Period"** means (i) the period specified in the applicable Final Terms, or (ii) if none is so specified, one Settlement Cycle.

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

**"Initial Stock Loan Rate"** means, in respect of a security comprised in an Equity Index, the initial stock loan rate specified in relation to such security in the applicable Final Terms.

**"Intraday Level"** means, in respect of an Equity Index and any time on a Scheduled Trading Day, the level of such Equity Index at such time on such day as determined by the Calculation Agent, subject as provided in Equity Index-Linked Condition 2 (Adjustments to an Equity Index).

**"Loss of Stock Borrow"** means that the Issuer and/or any affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any securities comprised in

an Equity Index 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 security comprised in an Equity Index, the Maximum Stock Loan Rate specified in the applicable Final Terms.

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

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

**"Optional Additional Disruption Event"** means any of Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

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

**"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 as provided in "Valuation Time" below.

**"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.

**"Scheduled Trading Day"** means either (i) in the case of a single Equity Index, Scheduled Trading Day (Single Index Basis) or (ii) in the case of a Basket of Equity Indices, (a) Scheduled Trading Day (All Indices Basis) or (b) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply.

**"Scheduled Trading Day (All Indices Basis)"** means (i) in respect of any Equity Index which is not a Composite Index, any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading during their respective regular trading session(s), and (ii) in respect of any Composite Equity Index, any day on which (a) the Index Sponsor is scheduled to publish the level of such Composite Index and (b) each Related Exchange is scheduled to be open for trading during its regular trading session in respect of such Composite Index.

**"Scheduled Trading Day (Per Index Basis)"** means:

- (a) in respect of any Composite Index, any day on which (i) the Index Sponsor is scheduled to publish the level of such Equity Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session; and
- (b) in any other case, any day on which the relevant Exchange and Related Exchange in respect of such Equity Index are scheduled to be open for trading for their respective regular trading session(s).

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

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

**"Screen Page"** means the page specified in the applicable Final Terms, or any successor page or service thereto.

**"Settlement Cycle"** means, in respect of an Equity Index, the period of Clearance System Days following a trade in the security comprising such Equity Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

**"Settlement Price"** means, unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Equity Index Linked Notes relating to a single Equity Index, an amount equal to the official closing level of the Equity Index or, in relation to a Composite Index, the official closing level of such Equity Index as published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Equity Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date; and
- (b) in the case of Equity Index Linked Notes relating to a Basket of Equity Indices and in respect of each Equity Index comprising the Basket of Equity Indices, an amount equal to the official closing level of such Equity Index or, in relation to a Composite Index, the official closing level of such Equity Index as published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting;

**"Settlement Price Date"** means the Strike Date, an Observation Date or the Valuation Date as the case may be.

**"Specified Maximum Days of Disruption"** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

**"Strike Date"** means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Equity Index Linked Notes relating to a single Equity Index, 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 by determining the level of the Equity 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 Equity 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 Equity 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 Equity Index Linked Notes relating to a Basket of Equity Indices, the Strike Date for each Equity Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and the Strike Date for each Equity Index, affected (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, the level or value as applicable, using the level of that Equity 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 Equity 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 Equity 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) and otherwise in accordance with the above provisions.

**"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.

**"Trading Disruption"** means:

- (a) in the case of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements

in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Equity Index on the Related Exchange; and

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

**"Valuation Date"** means 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:

- (a) in the case of Equity Index Linked Notes relating to a single Equity Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level, price, value or amount by determining the level of the Equity 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 Equity 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 Equity 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 Equity Index Linked Notes relating to a Basket of Equity Indices, the Valuation Date for each Equity Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Equity Index, affected (each an **"Affected Item"**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level, price, value or amount using, in relation to the Affected Item, the level or value as applicable, determined using the level of that Equity 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 Equity 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 Equity 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) and otherwise in accordance with the above provisions.



**"Valuation Time"** means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b) if not specified in the applicable Final Terms:
  - (x) in the case of a Composite Index, means in respect of such Equity Index: (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 the Equity Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Equity Index is calculated and published by the Index Sponsor; or
  - (y) in the case of any Equity Index which is not a Composite Index, means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or Valuation Time, as the case may be, shall be such actual closing time.

## **USE OF PROCEEDS**

***This section applies to both Exempt Notes and Non-exempt Notes.***

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF BGL

### 1. Information about the Issuer

The legal and commercial name of the Issuer is BGL BNP Paribas.

The Issuer was founded as a company under Belgian law on 29 September 1919 and was incorporated under the laws of the Grand Duchy of Luxembourg as a limited liability company (*société anonyme*) on 21 June 1935 and operates under the laws of the Grand Duchy of Luxembourg. The Issuer is registered with the *Registre du Commerce et des Sociétés de Luxembourg* under the number B 6481. It is incorporated for a period of unlimited duration. The Articles of Association of the Issuer have been amended several times, most recently by notarial deed in Luxembourg on 19 February 2016.

The Issuer's registered office is at 50, avenue J.F. Kennedy, L-2951 Luxembourg and its telephone number is +352 4242-1.

#### Business Overview

Founded in 1919 under the name "Banque Générale du Luxembourg", BGL BNP Paribas is one of the largest banks in the Grand Duchy of Luxembourg and a member of the BNP Paribas Group (the "**BNPP Group**"). It offers its retail, professional, private banking and corporate clients a particularly wide range of financial products and bancassurance solutions.

BNP Paribas is present in 74 countries with more than 192,000 employees, including more than 146,000 in Europe.<sup>1</sup> The Group has key positions in its three main activities: Domestic Markets, International Financial Services and Corporate & Institutional Banking.

#### Activities

BGL is active in the following areas:

- (a) Retail and Corporate Banking Luxembourg (*Banque de détail et des entreprises Luxembourg*) (BDEL)

Retail and Corporate Banking Luxembourg - which encompasses Retail Banking, Corporate Banking, Private Banking Luxembourg and BGL BNP Paribas Direct - offers a wide range of financial products and services to individual customers, professionals and companies through its network and dedicated businesses.

Retail Banking (BDL) offers services to its customers through its network of 41 branches and its eight Pro Business Centres dedicated to business customers.

Corporate Banking (BEL) is dedicated to corporate clients and its activities include *Coverage, Trade, Cash Management, Forex* and *Real Estate*.

BEL covers Luxembourg and also Germany through its Trier-Saarbrücken Branch. It offers comprehensive banking as well as cross border products and services.

Private Banking Luxembourg (PBL) offers resident clients integrated and tailored financial and asset management solutions, in addition to daily banking services in the 6 private

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<sup>1</sup> [www.bnpparibas.com](http://www.bnpparibas.com)

banking sites available through the branch network. BPL worked with the 8 business centres that provide services exclusively to professional clients.

BGL BNP Paribas Direct includes remote service activities and distributes most of the Bank's products.

(b) **Wealth Management**

The Wealth Management business line provides tailor-made asset and financial management solutions, as well as a whole range of services and products for international clients.

(c) **Corporate and Institutional Banking (CIB)**

Corporate and Institutional Banking business line in Luxembourg offers its customers, which are mostly businesses and institutions, products and services related to capital markets and financing in Luxembourg.

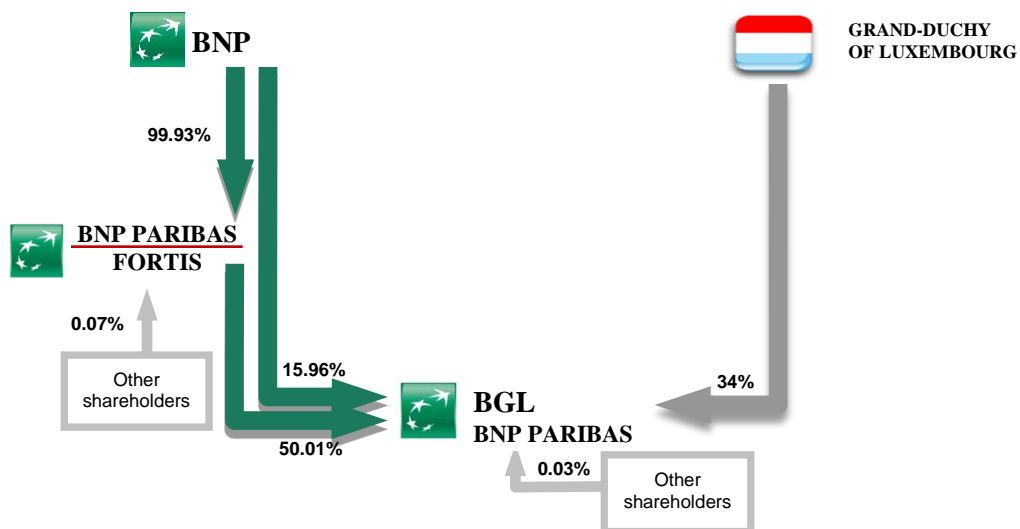
CIB comprises four main businesses:

- Correspondent Banking consists of meeting the day-to-day account-related needs of institutional clients;
- Credit provides finance to corporate and institutional clients;
- Financing Solutions arranges financing for tangible assets;
- Prime Solutions and Financing specialises in providing collateralised investment solutions for institutional clients.

Along with these four main businesses, the Financial Institutions coverage assists business lines in their client relationships.

## 2. **Shareholders' Structure of BGL BNP Paribas**

As at the date of this Base Prospectus, the following diagram summarises the structure of the ownership of the share capital of BGL BNP Paribas:



Situation as at 31 December 2016

### 3. Trend information

#### *Macroeconomic environment*

Macroeconomic and market conditions affect BGL's results. The nature of BGL's business makes it particularly sensitive to macroeconomic and market conditions in Europe, which have been at times challenging and volatile in recent years.

In 2016, global growth stabilised slightly above 3 per cent., despite a much lower growth in the advanced economies. Three major transitions continue to affect the global outlook: declining economic growth in China, fluctuating energy prices that rose in 2016, and a second tightening of monetary policy in the United States in the context of a resilient domestic recovery. It should be noted that the central banks of several large developed countries continue to maintain accommodative monetary policies. IMF economic forecasts for 2017<sup>2</sup> point to a recovery in global activity, no significant improvement in growth in the euro zone and Japan, and a slowdown in the United Kingdom. In that context, two risks can be identified:

#### *Financial instability due to the vulnerability of emerging countries*

A broad increase in the foreign exchange liabilities of the economies of many emerging market economies was observed in 2016, at a time when debt levels (in both foreign and local currency) were already high. The private sector was the main source of the increase in this debt. Furthermore, the prospect of a gradual increase in US key rates (the Federal Reserve Bank made its first increase in December 2015, and a second in December 2016) and increased financial volatility stemming from concerns about growth and mounting geopolitical risk in emerging markets have contributed to a tightening of external financial conditions, increased capital outflows, further currency depreciations in many emerging markets and heightened risks for banks. These factors could result in further downgrades of sovereign ratings.

There is still a risk of disturbances in global markets (rising risk premiums, erosion of confidence, declining growth, deferral or slower pace of normalisation of monetary policies, declining liquidity in markets, asset valuation problems, decline in credit supply and disorderly deleveraging) that could affect all banking institutions.

#### *Systemic risks related to increased debt and market liquidity*

Despite the upturn since mid-2016, interest rates remain low, which may continue to encourage excessive risk-taking among some players in the financial system: increased maturities of financing and assets held, less stringent policy for granting loans, increase in leveraged financing.

Some players (insurance companies, pension funds, asset managers, etc.) entail an increasingly systemic dimension and in the event of market turbulence (linked for instance to a sudden rise in interest rates and/or a sharp price correction) they may decide to unwind large positions in an environment of relatively weak market liquidity.

Recent years have also seen an increase in debt (public and private, in both developed and emerging countries). The resulting risk could materialise either in the event of a spike in interest rates or a further negative growth shock.

#### *Laws and regulations applicable to financial institutions*

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<sup>2</sup>

See notably: IMF – World Economic Outlook, updated in January 2017

Recent and future changes in the laws and regulations applicable to financial institutions or their business activities may have a significant impact on BGL. Measures that were recently adopted or which are (or whose application measures are) still in draft format, that have or are likely to have an impact on BGL notably include:

- the structural reforms comprising the French banking law of 26 July 2013 requiring that banks create subsidiaries for or segregate "speculative" proprietary operations from their traditional retail banking activities, the "Volcker rule" in the US which restricts proprietary transactions, sponsorship and investment in private equity funds and hedge funds by US and foreign banks, and upcoming potential changes in Europe;
- regulations governing capital: the Capital Requirements Directive IV ("**CRD 4**") / the Capital Requirements Regulation ("**CRR**") and proposed amendments to these (see below), the international standard for total loss-absorbing capacity ("**TLAC**") and BGL has been identified as "other systemically important institutions" within the meaning of Article 59-3 of the Law of 5 April 1995 on the financial sector;
- the European Single Supervisory Mechanism and the ordinance of 6 November 2014;
- the Directive of 16 April 2014 related to deposit guarantee systems and its delegation and implementing decrees, the Directive of 15 May 2014 establishing a Bank Recovery and Resolution framework (Directive 2014/59/EU, the "**BRRD**") and proposed amendments to the BRRD, the Single Resolution Mechanism establishing the Single Resolution Council and the Single Resolution Fund (the "**SRM Regulation**" and proposed amendments to the SRM Regulation);
- the Final Rule by the US Federal Reserve imposing tighter prudential rules on the US transactions of large foreign banks, notably the obligation to create a separate intermediary holding company in the US (capitalised and subject to regulation) to house their US subsidiaries;
- the new rules for the regulation of over-the-counter derivative activities pursuant to Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, notably margin requirements for uncleared derivative products and the derivatives of securities traded by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, and the rules of the US Securities and Exchange Commission which require the registration of banks and major swap participants active on derivatives markets as well as transparency and reporting on derivative transactions;
- the new Markets in Financial Instruments Directive ("**MiFID II**") and Markets in Financial Instruments Regulation ("**MiFIR**"), and the Regulation on OTC derivative transactions, central counterparties and trade repositories (Regulation (EU) No 648/2012 ("**EMIR**") governing (among other things) the clearing of certain over-the-counter derivative products by centralised counterparties, reporting of all derivative transactions and risk mitigation requirements (including, in some cases, margin requirements) for uncleared derivatives and proposed amendments to EMIR published on 4 May 2017;
- the regulation on the reporting and transparency of securities financing transactions (Regulation (EU) 2015/2365, the "**SFTR**");
- the regulation on key information documents for packaged retail and insurance-based investment products (the "**PRIIPs Regulation**") in relation to drawing up, publishing and providing a key information document ("**KID**") for PRIIPs made available to retail investors;

- the new market abuse regulation ("**MAR**", Regulation (EU) 596/2014);
- the rules for the regulation of administration of, contribution to and use of benchmarks in the Union pursuant to the EU Benchmarks Regulation (the "**EU Benchmarks Regulation**", Regulation (EU) 2016/1011);
- the Capital Markets Union ("**CMU**") initiative, including the new Prospectus Regulation ("**PD3**") and the simple, transparent and standardised ("**STS**") securitisation initiative;
- proposed amendments to the Capital Requirements Directive and Regulation, commonly referred to as CRD V/CRR II. The proposed directive and accompanying regulation finalise Basel III in Europe and implement the revisions to capital and liquidity standards agreed globally at the Basel Committee for Banking Supervision.

### ***Cyber risk***

In recent years, financial institutions have been impacted by a number of cyber incidents, notably involving large-scale alterations of data which compromise the quality of financial information. This risk remains today and BGL, like other banks, has taken measures to implement systems to deal with cyber attacks that could destroy or damage data and critical systems and hamper the smooth running of its operations. Moreover, the regulatory and supervisory authorities are taking initiatives to promote the exchange of information on cyber security and cyber criminality in order to improve the security of technological infrastructures and establish effective recovery plans after a cyber incident.

More generally, regulators and legislators in any country may, at any time, implement new or different measures that could have a significant impact on the financial system in general or BGL in particular.

Save as set out above, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on BGL BNP Paribas' prospects for the current financial year.

## **4. Profit forecasts or estimates**

The Base Prospectus does not contain any profit forecast or profit estimate.

## **5. Administrative, Management and Supervisory Bodies**

### **(a) Board of Directors and Management Board**

As at the date of this Base Prospectus, the management of BGL was comprised of the following persons (and their principal outside activity):

#### **The Board of Directors**

Etienne Reuter  
Director of the General Inspection for Finance, Luxembourg  
Chairman

Thierry Laborde  
Member of the Executive Committee of BNP Paribas, Paris  
Vice-Chairman

HRH Prince Guillaume of Luxembourg, Luxembourg  
Director

Jean-Marie Azzolin  
Staff representative, Luxembourg  
Director

Didier Beauvois  
Member of the Executive Board/Executive Committee of BNP Paribas Fortis, Brussels  
Director

Francis Capitani  
Staff representative, Luxembourg  
Director

Jean Clamon  
Engineer, Corporate Director, Paris  
Director

Anna Daresta  
Staff representative, Luxembourg  
Director

Gabriel Di Letizia  
Staff representative, Luxembourg  
Director

Camille Fohl  
Advisor to the Executive Committee of BNP Paribas, Paris  
  
Director

Maxime Jadot  
Chairman of the Executive Board/Executive Committee of BNP Paribas Fortis, Brussels  
Director

Josiane Kremer  
Staff representative, Luxembourg  
Director

Vincent Lecomte  
Head of BNP Paribas Wealth Management, Paris  
Director

Corinne Ludes  
Staff representative, Luxembourg  
Director

Jean Meyer  
Doctor of Law, attorney, Luxembourg  
Director

Baudouin Prot  
Corporate Director, Paris  
Director

Denise Steinhäuser  
Staff representative, Luxembourg  
Director



Carlo Thelen  
Economist, Luxembourg  
Director

Tom Theves  
First Advisor to the Government, Luxembourg  
Director

Carlo Thill  
Chairman of the Management Board of BGL BNP Paribas, Luxembourg  
Director

Michel Wurth  
Economist, Luxembourg  
Director

### **The Management Board**

Carlo Thill  
Chairman

Fabrice Cucchi  
Compliance  
Member

Dominique Goulem  
ALM Treasury  
Member

Patrick Gregorius  
Human Resources  
Member

Luc Henrard  
Risk  
Member

Marc Lenert  
ITP and Operations  
Member

Carlo Lessel  
Finance  
Member

Laure Morsy  
Chief Operating Officer,  
Corporate and Institutional Banking  
Member

François Dacquin<sup>3</sup>  
Wealth Management  
Member

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<sup>3</sup>

Subject to the approval of the CSSF and ECB.

Thierry Schuman  
Retail and Corporate Banking  
Member

For the purpose of this Base Prospectus the address of the Directors and the members of the Management Board is 50, avenue J.F. Kennedy, L-2951 Luxembourg.

The members of the Management Board work for the Issuer. In addition to their Luxembourg-based duties, under the practices of the BNP Paribas group some members of the Management Board also have high-level responsibilities with business areas of BNP Paribas and its affiliates.

**(b) Administrative, Management and Supervisory bodies - conflicts of interests**

No conflicts of interest exist between any duties to BGL of the persons referred to in paragraph 5(a) above and their private interests and/or other duties.

**6. Major Shareholders**

As at the date of this Base Prospectus, the major shareholders of BGL consist of:

- (a) The Grand Duchy of Luxembourg holding 34 per cent. of the share capital of BGL BNP Paribas; and
- (b) BNP Paribas holding directly 15.96 per cent. and indirectly 50.01 per cent., via BNP Paribas Fortis SA/NV (of which BNP Paribas owns 99.93 per cent. of the share capital), of the share capital of BGL.

BGL is managed by a Board of Directors and a Management Board. The Board of Directors is composed of mainly non-executive directors and a certain number of staff representatives. As a credit institution, BGL is regulated by the CSSF.

**7. Financial Information concerning BGL's Assets and Liabilities, Financial Position and Profits and Losses**

**(a) Financial statements**

BGL's financial statements incorporated by reference in this Base Prospectus are produced on a consolidated basis.

The financial statements of BGL are consolidated into the financial statements of BNP Paribas Fortis SA/NV. The consolidated financial statements of BNP Paribas Fortis SA/NV are available at its registered office: Montagne du Parc 3, 1000 Brussels, Belgium and via the website of BNPP (<https://rates-globalmarkets.bnpparibas.com/gm/Public/LegalDocs.aspx>).

**(b) Auditing of historical annual financial information**

The financial statements of BGL as of and for the years ended 31 December 2015 and 31 December 2016 have been audited without qualification by PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg. PricewaterhouseCoopers, Société coopérative is a member of the *Institut des Réviseurs d'Entreprises* (the "IRE").

BGL also publishes an abridged form of non-consolidated accounts which are included in its annual reports.

No other information in this Base Prospectus has been audited by the independent auditors.

**(c) Interim Financial Information**

The Issuer published its unaudited consolidated interim financial statements as of and for the six month period ended 30 June 2016.

**(d) Legal and arbitration proceedings**

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BGL is aware) during a period covering 12 months prior to the date of this Base Prospectus which may have, or have had in the recent past significant effects on BGL's financial position or profitability.

**8. Material Contracts**

The Issuer has not entered into any material contracts outside the scope of its ordinary course of business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of notes.

**9. Recent Developments**

BGL BNP Paribas made public announcements (each a "**Press Release**") which included the following:

- Press Release dated 6 April 2017 in respect of BGL BNP Paribas financial results for the year to 31 December 2016.

In June 2016, BGL BNP Paribas sold to BNP Paribas SA its French subsidiary SADE SA.

On 16 December 2016, BGL BNP Paribas Factor SA merged with BGL BNP Paribas.

**10. Dependence upon other BNPP Group entities**

BGL has certain IT dependency upon other entities within the BNPP Group which may be summarised as follows:

- (a) BGL's corporate and institutional banking (CIB) business shares most of its front and back-office IT platforms with BNPP; and
- (b) Other business lines and functions share various platforms with other entities within the BNPP Group, but not necessarily to the same extent as the CIB business.

See also the "*General Information*" section below.

## SUBSCRIPTION AND SALE

*This section applies to both Exempt Notes and Non-exempt Notes.*

### 1. Offers to the Public

*This sub-section applies to Non-exempt Notes only.*

In the event of an offer of any Notes which is an offer to the public within the meaning of the Prospectus Directive but which is not made in circumstances contemplated in Article 3(2) of the Prospectus Directive (an "**Offer**"), the general conditions in relation to such Offer are as set out below, as further specified for each Series of Notes in the applicable Final Terms and/or subject as otherwise provided in the applicable Final Terms.

Investors should note that if a supplement to or an updated version of this Base Prospectus is published at any time during an Offer Period (as defined below), such supplement or updated base prospectus as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of the applicable Final Terms. Any investors who have indicated acceptances of the offer of the relevant Notes prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be (the "**Publication Date**"), have the right within two working days of the Publication Date to withdraw their acceptances.

#### 1.1 Offer size

The anticipated size of the offer of the Notes to the public will be set out in the applicable Final Terms as a fixed amount, as a minimum amount subject to increase, or as a range. The actual nominal amount of Notes offered can be decreased or increased by the Issuer at any time before the relevant Issue Date. It will be determined by the Issuer, after consultation with the arranger(s) of such offer, taking into account prevailing market conditions (including those in the debt and equity markets) and other relevant criteria and factors, including (but not limited to) demand for the Notes during the subscription period, broader economic and financial conditions and prospects and conditions affecting the Issuer's ability to source or price hedging transactions with respect to its obligations under the Notes on terms satisfactory to it.

Once the results of the Offer have been determined, the actual nominal amount of Notes that will be allotted to the subscribers and issued will be filed with the appropriate competent authority(ies) and communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

The prospective investors will be directly notified by or on behalf of the placers as mentioned in item 11(l) of Part B of the Final Terms (the "**Placing Agents**"), of the number of Notes that has been allotted to them as soon as possible after the relevant Issue Date.

#### 1.2 *Subscription, payment, delivery and allotment*

The subscription period of the Offer (the "**Offer Period**") will be set out in the applicable Final Terms. However, the Offer Period may be (a) subject to an early termination due to reasons including (but not limited to) oversubscription or a decrease in the offer size as set out under the heading "Offer size" above, or (b) subject to an extension as mentioned under the heading "Indicative timetable" below.

"Subscription" (and "subscribe" and "subscriber") refers not only to the initial acquisition of the Notes from the Issuer by the first purchaser, but to any purchase during the Offer Period.

The price of the Notes payable by subscribers to the Placing Agents, the Offer Price, will be specified in the applicable Final Terms.

The minimum number of Notes which may be subscribed per subscriber is one Note of the lowest Specified Denomination and thereafter in multiples of one (1) such lowest Specified Denomination, unless otherwise specified in the applicable Final Terms. There is no maximum number of Notes which may be subscribed per subscriber unless otherwise stated in the applicable Final Terms.

If the Final Terms do not include the Offer Price and/or other pricing data relating to the Notes such as the Rate of Interest, a pricing statement disclosing this information will be published before the relevant Issue Date and any such pricing statement will specify rights of withdrawal (if any) which arise under Article 8 of the Prospectus Directive. Unless otherwise indicated in the applicable Final Terms, such pricing statement will be published in the same manner as the Base Prospectus and the applicable Final Terms.

Payment for the Notes must be received by the relevant Placing Agent from subscribers on or before the relevant Issue Date by debit of a cash account.

The delivery of the Notes will take place as described in the Base Prospectus and the applicable Final Terms. On or about the relevant Issue Date, the relevant securities account of each Noteholder will be credited with the relevant amount of Notes purchased.

By subscribing for Notes or subsequently otherwise acquiring Notes, Noteholders are bound by the Terms and Conditions of the Notes and are deemed to have acknowledged and accepted the terms pursuant to which the Notes are being offered as set out in the Base Prospectus together with the applicable Final Terms.

Unless otherwise indicated in the applicable Final Terms, in case of an early termination of the subscription period due to oversubscription or a decrease in the Offer size, allotment of the Notes will be made, to the extent possible, on the basis of objective allotment criteria. Valid subscription applications will be processed in the chronological order of their receipt by the Relevant Dealer and the Placing Agents. If necessary, the last subscription applications received will be reduced proportionately in order to match the actual aggregate nominal amount of Notes being offered. Any payment received in connection with the subscription of Notes which are not allotted will be returned within seven Business Days (Business Days in this section means days on which banks are open for general business in the relevant Non-exempt Offer Jurisdiction as defined in the relevant Final Terms and in the principal financial centre of the Specified Currency (or where the Specified Currency is euro, the TARGET2 system is operating)) after the date of receipt of such payment. However, there will be no entitlement to interest in respect of such payments.

### 1.3 *Indicative timetable*

An indicative timetable listing certain expected key dates for the Offer, such as (but not limited to) the publication of the prospectus, the latest time and date for subscriptions, the publication of the pricing statement (if relevant), and the announcement of the offer size will be specified in the applicable Final Terms. However, the timetable for the Offer is subject to acceleration or extension. Unless otherwise indicated in the applicable Final Terms, any acceleration or extension of the timetable for the Offer will be communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

### 1.4 *Cancellation of the Offer*

The Issuer reserves the right to cancel the Offer and issue of the Notes, at any time on or before the relevant Issue Date and for any reason, it being understood that in such case no Notes will be issued. In the event of a cancellation and unless otherwise indicated in the applicable Final Terms, such

cancellation will be communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

The Offer may be cancelled if any of the following events occur:

- the Notes are not or will not be admitted to trading and listing on the relevant stock exchange on the relevant Issue Date (or such later date as is determined by the Issuer as the latest date for such admission);
- there has been a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls that would, in the view of the Issuer or the Relevant Dealer, be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market;
- there has been, in the view of the Issuer or the Relevant Dealer, an adverse change, financial or otherwise in the condition or general affairs of the Issuer that would be likely to prejudice materially the success of the offering of the Notes;
- the Relevant Dealer determines, in its absolute discretion, that it is unable to source or price appropriate hedging transactions relating to the Issuer's obligations under the Notes on terms which are satisfactory to it;
- the Subscription Agreement (if any) is terminated by a Manager in accordance with its terms; or
- the Placing and Purchase Agreement (if any) is terminated in accordance with its terms.

The Offer may also be cancelled in any other circumstances where the Issuer considers it necessary or desirable.

### 1.5 *Subscription fees and taxes*

Fees and taxes payable by Noteholders may include the following:

- a fee payable by the Issuer to the Relevant Dealer and/or to any Placing Agent if it had been agreed between the relevant parties that such fee would be included in the Offer Price of the Notes to be paid by Noteholders on subscription;
- any costs arising from holding their Notes in a securities account with a financial intermediary;
- any further costs which may be charged by any financial intermediary; and
- taxes on stock market transactions other than taxes payable upon initial subscription.

### 1.6 *Other fees and charges*

Except as stated above or in the applicable Final Terms, the Issuer will not impose any charges or fees in respect of the Notes. Prospective purchasers should note, however, that certain fees and charges for custodial, nominee, transfer and clearing services may be payable to the relevant clearing system(s) and/or any intermediaries for the holding, transfer or redemption of Notes. Prospective purchasers of Notes should contact any relevant intermediaries for further details of these fees and charges.

In the event that prospective Noteholders are required to be notified of any event and unless otherwise indicated in the applicable Final Terms, such notice will be published in the same manner in which the Final Terms and the Base Prospectus have been published.

## 1.7 *Subscription and placing arrangements*

The Manager(s) mentioned in Item 9(b) of Part B of the applicable Final Terms may enter into a subscription agreement with the Issuer on or about the Issue Date of the relevant Tranche of the Notes (the "**Subscription Agreement**"). Under the terms of the Subscription Agreement and the Programme Agreement and subject to the satisfaction of certain conditions, the Manager will agree to subscribe for the Notes. The Manager may terminate the Subscription Agreement in certain circumstances, prior to payment being made to the Issuer. Any such termination is likely to result in a cancellation of the Offer.

The Issuer and the Manager may also enter into a placing and purchase agreement with the Placing Agents on or about the first day of the Offer Period (the "**Placing and Purchase Agreement**"). Under this Agreement, the Placing Agents will agree to use their best endeavours during the Offer Period to procure subscribers for an aggregate nominal amount of Notes equal to the anticipated Offer size of the Notes at the Offer Price. Each Placing Agent will agree to purchase from the Manager, on the relevant Issue Date, an aggregate nominal amount of Notes equal to the nominal amount of Notes placed by such Placing Agent pursuant to the Offer.

Each Placing Agent shall be entitled to deduct, before payment to the Manager, a commission representing a percentage of the nominal amount of the Notes placed by it. The commission will be specified in the applicable Final Terms. The Placing and Purchase Agreement may be terminated in certain circumstances by the Manager or the Placing Agents, prior to payment being made to the Manager. Any such termination is likely to result in the cancellation of the Offer.

## 2. **Subscription and Sale**

*This sub-section applies to both Exempt Notes and Non-exempt Notes.*

### **Programme Agreement**

The Dealers have in an amended and restated programme agreement dated on or about 20 June 2017 (as amended, supplemented and/or restated from time to time) (the "**Programme Agreement**") agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "**Form of the Notes**", "**Terms and Conditions of the Euro Notes**" and "**Terms and Conditions of the Luxembourg Notes**" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme. Subject as provided in the selling restrictions set out below, the Notes may be sold to any investor.

### **United States of America**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes are being offered and sold in "offshore transactions" to persons other than "U.S. persons" in accordance with Regulation S of the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to Regulation S. Terms used in this paragraph and not otherwise defined herein have the meaning ascribed in Regulation S under the Securities Act.

Each Dealer has agreed that it will not offer, sell or deliver the Notes of any Tranche, (a) as part of their distribution at any time or (b) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, or the Fiscal Agent, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act, and it will have sent to each distributor, or person receiving a selling concession, fee or remuneration in respect of the Notes sold, to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Notes in bearer form that are debt for U.S. federal income tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain circumstances permitted by U.S. Treasury regulations. The applicable Final Terms will specify whether the provisions of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) ("**TEFRA C**"), the provisions of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) ("**TEFRA D**"), or neither the provisions of TEFRA C nor TEFRA D ("**TEFRA not applicable**") will apply to the issuance of Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of Notes from that offering within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **Prohibition of sales to EEA Retail Investors**

From 1 January 2018, unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies the "*Prohibition of Sales to EEA Retail Investors*" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"); and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.



Prior to 1 January 2018, and from that date, if the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "*Prohibition of Sales to EEA Retail Investors*" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus as the case may be) to the public in that Relevant Member State, except that it may with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Relevant Dealer(s) nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

**Provided that** no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

## **Belgium**

With regard to Notes having a maturity of less than 12 months and qualifying as money market instruments (and which therefore fall outside the scope of the Prospectus Directive), this Base Prospectus has not been submitted for approval to the Belgian Financial Services and Markets Authority and, accordingly, such Notes may not be distributed in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006 on public offerings of investment

instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

## France

In the period beginning on the date of notification of the approval of this Base Prospectus to the *Autorité des marchés financiers* (the "AMF") by the *Commission de Surveillance du Secteur Financier* (the "CSSF") for the purposes of the Prospectus Directive, and ending at the latest on the date which is 12 months after the date of such approval, the Issuer and any Dealer of an issue of Notes may make an offer of Notes:

- (i) to the public in France, as defined in Article L.411-1 of the French *Code monétaire et financier* and in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the provisions of the *Règlement général* of the AMF; and/or
- (ii) in circumstances that do not constitute an offer to the public in France pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF.

Pursuant to Article L.411-2 of the French *Code monétaire et financier* and Article 211-2 of the *Règlement général* of the AMF, (in each case as may be amended from time to time), the circumstances in which an offer of Notes shall not constitute an offer to the public in France include, but are not limited to, an offer of Notes:

- (i) addressed solely to qualified investors (*investisseurs qualifiés*), acting for their own account; and/or
- (ii) addressed solely to a limited number of investors (*cercle restreint d'investisseurs*) acting for their own account; and/or
- (iii) addressed solely to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or
- (iv) addressed to investors who acquire Notes for a total consideration of at least €100,000 (or its equivalent in another currency) per investor, for each separate offer; and/or
- (v) whose notional amount, nominal amount or equivalent amounts to at least €100,000 (or its equivalent in another currency); and/or
- (vi) with a total consideration of less than €100,000 (or its equivalent in another currency), which limit shall be calculated over a period of 12 months.

## United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (e) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not, if it was not an authorised person, apply to the Issuer; and

- (f) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Switzerland

**Notes issued under the Programme do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"). Therefore, Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority ("FINMA"), and investors in Notes will not benefit from protection under the CISA or supervision by FINMA.**

Neither this Base Prospectus nor any other offering or marketing materials relating to Notes issued under the Programme constitutes a prospectus within the meaning of (i) Articles 652a or 1156 of the Swiss Federal Code of Obligations or (ii) Article 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange or a Simplified Prospectus (as defined below). Any Notes constituting structured products within the meaning of Article 5 CISA ("**Structured Products**") may be distributed (such term including any offering and advertising) in or from Switzerland to non-qualified investors within the meaning of the CISA ("**Non-Qualified Investors**") only in accordance with the provisions of the CISA and its implementing regulations.

In particular, Structured Products which are neither listed on the SIX Swiss Exchange nor on any other Swiss stock exchange that ensures the transparency required under Article 5 para. 2 CISA and Article 4 para. 2 of the Collective Investment Schemes Ordinance ("**Unlisted Structured Products**") may only be distributed in or from Switzerland to Non-Qualified Investors if:

- (i) they are issued, guaranteed or secured in an equivalent manner by (a) a Swiss bank, insurance company or securities dealer or (b) a foreign institution which is subject to equivalent standards of supervision and has a branch in Switzerland; and
- (ii) a simplified prospectus complying with Article 5 CISA, its implementing regulations and the Swiss Banking Guidelines on Informing Investors about Structured Products (as amended from time to time) (a "**Simplified Prospectus**") is available. A provisional version of such Simplified Prospectus including indicative information must be made available free of charge to any interested person prior to subscribing the Notes or prior to concluding an agreement to subscribe the Notes. The definitive version must be made available free of charge to any interested person on issue or on concluding an agreement to subscribe the Notes.

The Issuer will set forth all information which may be required to be disclosed in a Simplified Prospectus in a separate document referred to as a "Pricing Supplement" and/or "Simplified Prospectus for Unlisted Structured Products" distributed to Non-Qualified Investors and reserves the right to do so for any other Notes constituting Structured Products.

Notes constituting Structured Products which are not intended to be distributed to Non-Qualified Investors in or from Switzerland may only be distributed, and this Base Prospectus, any Final Terms, fact sheets or any other marketing material relating to such Notes may only be made available to qualified investors according to Article 10 paras. 3 to 4 CISA ("**Qualified Investors**") in or from Switzerland by way of private placement which is exclusively addressed to and available for such Qualified Investors. Additional selling restrictions may be included in the Final Terms.

## Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the SFO and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document, relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that the SFO.

## **Japan**

Notes issued under the Programme have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with the FIEA and other relevant laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefore. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## TAXATION

*This section applies to both Exempt Notes and Non-exempt Notes.*

**TRANSACTIONS INVOLVING THE NOTES MAY HAVE TAX CONSEQUENCES FOR PROSPECTIVE INVESTORS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE PROSPECTIVE INVESTOR AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES, PROSPECTIVE INVESTORS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS.**

The following is a general description of certain Belgian, French, German, Luxembourg, Swiss and United States tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium, Luxembourg, France, Germany and/or United States of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in or interpretation thereof law that may take effect after such date, possibly with retroactive effect. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including but not limited to, the legality of transactions involving the Notes.

### **Taxation in Belgium**

*The following summary describes the principal Belgian withholding tax considerations with respect to the holding of the Notes obtained by an investor in Belgium.*

*This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Notes. In some cases, different rules may be applicable. Furthermore, the tax rules may be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.*

*This summary is based on the Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this offer in Belgium, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.*

*Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account their own specific circumstances.*

Any payment of interest (as defined by Belgian tax law) on the Notes made through a paying agent in Belgium will in principle be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30 per cent..

For Belgian tax purposes, if interest is in a foreign currency, it is converted into euro on the date of payment or attribution.

#### **(A) Structured Notes**

On 25 January 2013, the Belgian tax authorities issued a circular letter on the Belgian tax treatment of income from structured securities characterised by an uncertain return on investment due to the variation of the coupons or the repayment terms at maturity, such as securities whose return is linked to the evolution of underlying products. According to the circular letter, the transfer of structured securities to a third party (other than the issuer) results in taxation as interest income of the "pro rata

interest", calculated on an unclear formulae. In addition, any amount paid in excess of the initial issue price upon redemption or repayment of the structured securities is considered as interest for Belgian tax purposes. It is highly debatable whether the circular letter is in line with Belgian tax legislation. Furthermore, it is unclear whether the Belgian tax authorities will seek to apply the principles set out in the circular letter to the structured Notes (the "**Structured Notes**" for the purpose of the following paragraphs).

It is assumed that any gains realised upon redemption or repayment by the Issuer will indeed be viewed as interest by the Belgian tax authorities (and any such gains are therefore referred to as "interest" for the purposes of the following paragraphs), but that the effective taxation of the "pro rata interest" in case of sale to a third party (i.e. other than the Issuer) would not be possible, on the basis that it is currently impossible to determine the amount of the "pro rata interest".

**(1) Repayment or redemption by the Issuer**

- *Belgian resident individuals*

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), who are holding the Structured Notes as a private investment are subject to the following tax treatment with respect to the Structured Notes in Belgium. Other rules may be applicable in special situations, in particular when Belgian resident individuals acquire the Structured Notes for professional purposes or when their transactions with respect to the Structured Notes fall outside the scope of the normal management of their own private estate.

Payments of interest on the Structured Notes made through a paying agent in Belgium will in principle be subject to a 30 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Structured Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

Nevertheless, Belgian resident individuals may elect to declare interest on the Structured Notes in their personal income tax return. Also, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared this way will in principle be taxed at a flat rate of 30 per cent. (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, whichever is more beneficial) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability.

- *Belgian resident companies*

Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are subject to the following tax treatment with respect to the Structured Notes in Belgium. Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the Belgian Income Tax Code 1992.

Interest received by Belgian resident companies on the Structured Notes will be subject to Belgian corporate income tax at the applicable corporate income tax rates (the ordinary corporate income tax rate is 33.99 per cent., but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest

income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

Interest payments on the Structured Notes made through a paying agent in Belgium are in principle be subject to a 30 per cent. withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption will only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

- *Belgian non-profit legal entities*

Belgian non-profit legal entities, i.e. legal entities that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are subject to the following tax treatment with respect to the Structured Notes in Belgium.

Payments of interest on the Structured Notes made through a paying agent in Belgium will in principle be subject to a 30 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the Belgian non-profit legal entity itself is responsible for the deduction and payment of the 30 per cent. withholding tax.

## **(2) Sale to a third party**

No Belgian withholding tax should apply to the sale of Structured Notes to a third party.

- *Belgian resident individuals*

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), are currently not liable to Belgian income tax on the capital gains (if any) realised upon disposal of the Structured Notes to a third party, provided that the Structured Notes have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the Structured Notes held as a non-professional investment are in principle not tax deductible.

However, Belgian resident individuals may be subject to a 33 per cent. Belgian income tax (plus local surcharges) if the capital gains on the Structured Notes are deemed to be speculative or outside the scope of the normal management of the individuals' private estate. Capital losses arising from such transactions are not tax deductible.

Capital gains realised upon transfer of Structured Notes held for professional purposes are taxable at the ordinary progressive income tax rates (plus local surcharges), except for Structured Notes held for more than five years, which are taxable at a separate rate of 16.5 per cent. (plus local surcharges). Capital losses on the Structured Notes incurred by Belgian resident individuals holding the Structured Notes for professional purposes are in principle tax deductible.

- *Belgian resident companies*

Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are liable to Belgian corporate income tax on the capital gains (if any) realised upon disposal of the Structured Notes to a third party, irrespective of whether such Structured Notes relate to shares or other assets or indices. The current standard corporate income tax rate in Belgium is 33.99 per cent..

Capital losses realised upon disposal of the Structured Notes are in principle tax deductible.

- *Belgian non-profit legal entities*

Belgian non-profit legal entities, i.e. legal entities that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are currently not liable to Belgian income tax on capital gains (if any) realised upon disposal of the Structured Notes to a third party.

Capital losses realised upon disposal of the Structured Notes are in principle not tax deductible.

(B) *Other Notes*

The following summary describes the principal Belgian withholding tax considerations with respect to Notes other than Structured Notes.

For Belgian tax purposes, periodic interest income and amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) are qualified and taxable as "interest". In addition, if the Notes qualify as fixed income securities within the meaning of article 2, §1, 8° of the Belgian Income Tax Code of 1992, in case of a realisation of the Notes between two interest payment dates, an income equal to the pro rata of accrued interest corresponding to the holding period is also taxable as interest.

For the purposes of the following paragraphs, any such gains and accrued interest are therefore referred to as interest.

- *Belgian resident individuals*

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), and who hold the Notes as a private investment, are in Belgium subject to the following tax treatment with respect to the Notes.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 30 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 30 per cent..



Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

- *Belgian resident companies*

Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are in Belgium subject to the following tax treatment with respect to the Notes.

Interest derived by Belgian resident companies on the Notes and capital gains realised on the Notes will be subject to Belgian Corporate Income Tax at the applicable corporate income tax rates (the ordinary corporate income tax rate is 33.99 per cent., but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

Interest payments on the Notes made through a paying agent in Belgium are in principle be subject to a 30 per cent. withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption will only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

- *Belgian non-profit legal entities*

Belgian non-profit legal entities, i.e. legal entities that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are subject to the following tax treatment with respect to the Notes in Belgium.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 30 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the Belgian non-profit legal entity itself is responsible for the declaration and payment of the 30 per cent. withholding tax.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined). Capital losses are in principle not tax deductible.

(C) *Tax on stock exchange transactions*

The sale and acquisition of the Structured Notes and other Notes on the secondary market is subject to a tax on stock exchange transactions ("*Taks op de beursverrichtingen/Taxe sur les opérations de bourse*") if (i) executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium.

The tax is generally due at a rate of currently 0.09 per cent. on each sale and acquisition separately, with a maximum of EUR 1,300 per taxable transaction. A separate tax is due by each party to the

transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the ordering private individual or legal entity, unless that individual or entity can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian representative for tax purposes, which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary.

Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are not subject to this tax.

## **Taxation in France**

*The following is a summary of certain French withholding tax consequences in relation to the holding of the Notes. It is based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect. Potential purchasers of Notes are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, or ownership of, the Notes.*

### *Withholding tax*

*This summary is prepared on the assumption that the Issuer is not and will not be a French resident for French tax purposes and any transactions in connection with the Notes are not and will not be attributed or attributable to a French branch, permanent establishment or other fixed place of business of the Issuer in France.*

In respect of those Notes which are treated as debt for French tax purposes, all payments by the Issuer in respect of such Notes will be made free of any compulsory withholding or deduction for or on account of any income tax imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein.

However, if the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French *Code Général des Impôts* and subject to certain limited exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Such interest and similar revenues are also subject to social contributions (CSG, CRDS and other related contributions) which are withheld at an aggregate rate of 15.5 per cent..

In respect of those Notes which are not treated as debt for French tax purposes, all payments by the Issuer in respect of such Notes will be made free of any compulsory withholding or deduction for or on account of any income tax imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein.

## **Taxation in Germany**

**The following is a general discussion of certain German tax consequences of the acquisition, ownership and disposal of the Notes. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase the Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser.**

**As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment. Tax consequences that may arise if an investor combines certain series of Notes so that he or she derives a certain return are not discussed herein.**

**This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect. Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposal of the Notes, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents or whose tax laws apply to them for other reasons.**

**The law as currently in effect provides for a reduced tax rate for certain saving income. There is an on-going discussion in Germany whether the reduced tax rate should be increased or abolished altogether so that savings income would be taxed at regular rates. It is still unclear whether, how and when the current discussion may result in any legislative changes.**

**To the extent the following information describes the taxation in the case of a disposal of the Notes, such description applies, in principle, accordingly to cases of a call, exercise, assignment or redemption of the Notes as well as a transfer of Notes into a corporation by way of a hidden capital contribution (*verdeckte Einlage in eine Kapitalgesellschaft*).**

### **German tax residents**

The section "*German tax residents*" applies to persons who are tax resident in Germany (in particular, persons having a residence, habitual abode, statutory seat or place of management in Germany).

#### *Notes held as private assets*

If Notes are held by an investor as private assets (*Privatvermögen*), payments of interest qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 German Income Tax Act ("*ITA*" – *Einkommensteuergesetz*). Interest accrued on the Notes, if any, or other securities paid separately upon the acquisition of the respective security may be recognised as negative savings income in the year of the acquisition. Capital gains / capital losses realised upon disposal of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and actually related to the sale, qualify as (negative) savings income pursuant to section 20 para 2 sentence 1 no 7 ITA. If such disposal results in a loss, such loss can only be offset against other taxable savings income. If the investor does not have sufficient other taxable savings income in the respective assessment period, the losses can be carried forward in future assessment periods; a loss carry back is not permissible.

If similar Notes kept or administered in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposal are subject to savings income taxation. The same applies to proceeds from the redemption of interest coupons or interest claims if the Notes have been disposed of separately.

Pursuant to administrative guidance losses incurred by a holder from bad debt (*Forderungsausfall*) or a waiver of receivables (*Forderungsverzicht*) are generally not tax-deductible. The same should apply if the Notes expire worthless or if the proceeds from the sale of Notes do not exceed the usual transaction costs.

According to administrative guidance, where a Note qualifies as a full risk security (*Vollrisikozertifikat*) which provides for several payments to be made to the holder such payments shall always qualify as taxable savings income, unless the terms and conditions of the Notes explicitly provide for the redemption or partial redemption during the term of the Notes and these terms and conditions are complied with. If the terms of the Notes do not provide for final payment at maturity or no such payment is made any losses incurred upon expiry of such Notes shall not be tax-deductible.

Savings income is, in general, subject to German income tax at a special (flat) tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax. With regard to savings income, the savers lump sum amount (*Sparer-Pauschbetrag*) in the amount of 801 EUR (respectively 1,602 EUR for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) will be deducted; a deduction of the actual income-related expenses other than transaction costs is not permissible. Subject to certain requirements and restrictions foreign withholding taxes levied on savings income in a given year from financial instruments held by the individual investor may be credited against the tax liability.

As a rule, the income tax on saving income is generally imposed by way of withholding (*Kapitalertragsteuer*) as described below under the section "*German withholding Tax*". Such withholding tax will, in general, settle the investor's income tax liability (flat tax - *Abgeltungsteuer*); in such case, the filing of a tax return for savings income is not required. If no tax is withheld, then the investor is obliged to file a tax return and the savings income will be taxed within the assessment procedure. An assessment may also be applied for in order to set off losses, to credit foreign withholding taxes or to take advantage of the annual tax allowance if this was not done within the withholding process. The special tax rate for savings income applies, in principle, also in the assessment procedure. However, an investor may alternatively request that all savings income of a given year is taxed at his/her individual income tax rate (if lower than the withholding tax rate) based on an assessment to tax with any amount overwithheld being refunded. A deduction of related costs on an itemized basis is not permitted.

#### *Notes held as business assets*

If Notes are held by an investor (individuals and corporate entities) as business assets (*Betriebsvermögen*), interest payments and capital gains from the disposal of the Notes are subject to corporate income tax (in the case of an incorporated investor) at a tax rate of 15 per cent., or income tax at an individual progressive tax rate of up to 45 per cent., as the case may be (each plus 5.5 per cent. solidarity surcharge thereon). Subject to sufficient documentation withholding tax withheld is credited against the (corporate) income tax liability of the investor. In addition, where Notes form part of a German trade or business, trade tax may apply, the rate of which depends on the municipality in which the business is located (rates vary between 7 per cent. and approx. 19 per cent.). Trade tax may in principle be (partially) credited against the income tax liability of an individual investor by way of lump sum procedure. Further, in the case of individuals, church tax may be levied.

The taxable income generally has to be calculated using the accruals method. Where Notes qualify as zero coupon Notes, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account.

Capital losses from the Notes are generally deductible. Where according to an applicable accounting standard Notes must be bifurcated they may have to account for a receivable and a derivative. The deduction of losses from derivatives may be ring-fenced, i.e. these losses may only be offset against profits from other derivatives derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and, within certain limitations, applied against profits from derivative transactions in subsequent years. This generally does not apply to losses from transactions hedging the holder's ordinary business which generally may be offset against other income, unless the underlying is a stock in a corporation. Further special rules apply to banks, financial services institutions and certain finance companies within the meaning of the German Banking Act.

#### *German withholding tax*

With regard to savings income (*Einkünfte aus Kapitalvermögen*), e.g. interest or capital gains, from the Notes, generally German withholding tax will be levied at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) if, inter alia, the Notes are held in a custodial account with a German branch of a German or non-German credit or financial services institution, a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a

"**German Disbursing Agent**"). If the Notes are not held in a custodial account with a German Disbursing Agent, German withholding tax will nevertheless be levied if the Notes are issued in definitive form and the savings earnings are paid by a German Disbursing Agent against presentation of the Notes or Coupons (so-called over-the-counter transaction – *Tafelgeschäft*).

For individual holders who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to savings income, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The tax base for the withholding tax is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in case of capital gains, the tax deduction is calculated on the basis of the capital gain only if the Notes have been kept in a custodial account with the same German Disbursing Agent since the time of issuance or acquisition, respectively; if that is not the case, the investor may prove the acquisition costs to the German Disbursing Agent only in a specific form required by law (e.g. by notice of the previous German Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or from certain other countries). Otherwise, the tax deduction is calculated on the basis of 30 per cent. of the proceeds from the disposal of the Notes. In this case, a private investor may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must apply for an assessment on the basis of his or her actual acquisition costs.

In general, no withholding tax will be levied if an investor holding the Notes as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the interest income and other taxable savings income do not exceed the amount stated in the withholding tax exemption certificate filed. Similarly, no withholding tax will be deducted if an investor has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

In computing the withholding tax, the German Disbursing Agent deducts from the basis of the withholding tax negative savings income realised by a private holder of the Notes via the German Disbursing Agent (e.g. losses from sale of other securities with the exception of shares). The German Disbursing Agent also deducts interest accrued paid by the private holder upon the acquisition of the Notes or other securities. In addition, subject to certain requirements and restrictions the German Disbursing Agent credits foreign withholding taxes levied on savings income in a given year regarding financial instruments held by the private holder in the custodial account with the German Disbursing Agent.

If the Notes form part of a trade or business, the withholding tax will not settle the (corporate) income tax liability of the investor. Investors holding the Notes as business assets are not allowed to file a withholding tax exemption certificate with the German Disbursing Agent and no losses from savings or foreign withholding tax credits can be recognised. However, no withholding tax will be levied on capital gains from the disposal of the Notes if, inter alia, (a) the Notes are held by a corporation satisfying the requirements of section 43 para 2 sentence 3 no 1 ITA, or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

### **Non-German tax residents**

In general, income derived from the Notes by a holder who is not tax-resident in Germany is not subject to taxation in Germany unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of the Notes or (ii) the income otherwise constitutes German source income. In such cases, a tax regime similar to that explained above for "*German tax residents*" applies.

Non-German tax residents are, in general, exempt from German withholding tax on savings income and the solidarity surcharge thereon. However, where the income is subject to German taxation as set forth in the

preceding paragraph and the Notes are held in a custodial account with a German Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a German Disbursing Agent and interest or proceeds from the disposal of a Note or an interest coupon are paid by a German Disbursing Agent to a non-resident upon delivery of the Notes or interest coupons, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

### **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to the Notes will arise under the laws of Germany if, in the case of inheritance tax, neither the decedent nor the beneficiary or, in the case of gift tax, neither the donor nor the donee is a resident of Germany and the Notes are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

### **Other Taxes**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

*No gross-up for German withholding tax (Kapitalertragsteuer)*

Purchasers of the Notes should note that the Issuer, in principle, will neither assume any liability for German withholding taxes (*Kapitalertragsteuer*) withheld from payments under the Notes, nor make any additional payments in regard of these taxes, i.e. no gross-up will apply in case a withholding tax is imposed, unless otherwise specified in the Final Terms.

### **Taxation in Luxembourg**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax as well as to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

#### **(a) Withholding Tax**

##### **(i) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid

interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

**(ii) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

**(b) *Income Taxation***

**(i) Non-resident holders of Notes**

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

**(ii) Resident holders of Notes**

Holders of Notes who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

- Luxembourg resident corporate holder of Notes

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 23 July 2016 on reserved alternative investment funds and which does not fall under the special tax regime set out in article 48 thereof or by the law of 13 February 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

- Luxembourg resident individual holder of Notes

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 20 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State). A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

(c) *Net Wealth Taxation*

A corporate holder of Notes, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is

- an undertaking for collective investment governed by the law of 17 December 2010, as amended,
- a special investment fund governed by the law of 13 February 2007, as amended,
- a family wealth management company governed by the law of 11 May 2007, as amended,
- a reserved alternative investment fund governed by the law of 23 July 2016,
- a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or
- a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended<sup>4</sup>.

An individual holder of Notes, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

(d) *Inheritance and Gift Taxation*

- (i) No Luxembourg inheritance tax is levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

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<sup>4</sup> Please however note that securitisation companies governed by the law of 22 March 2004 on securitisation, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof may, under certain conditions, be subject to a minimum net wealth tax.



- (ii) Luxembourg gift tax will be levied in case the gift is made pursuant to a notarial deed passed before a Luxembourg notary or recorded in Luxembourg.

(e) *Other Taxes and Duties*

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a fixed or *ad valorem* registration duty may be due upon the registration of the Notes in Luxembourg in the case where the Notes are physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of the Notes on a voluntary basis.

(f) *Value Added Tax*

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes. Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value-added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.

(g) *Residence*

A holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Note or the execution, performance, delivery and/or enforcement of that Note.

## **Taxation in Switzerland**

***The following summary does not purport to be a comprehensive description of all Swiss tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and, in particular, does not consider specific facts or circumstances that may apply to a particular purchaser. It is for general information only and does not discuss all tax consequences of an investment in Notes under the tax laws of Switzerland. This summary is based on the tax laws of Switzerland currently in force and as applied on the date of this Base Prospectus which are subject to changes (or changes in interpretation) which may have retroactive effect. Prospective purchasers are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes in the light of their particular circumstances.***

### ***Swiss Income Tax***

#### ***Swiss Resident Noteholders***

##### **Interest Payments or Redemption of Notes**

Swiss residents receiving periodic interest payments during the investment or at redemption as one-time-interest generally must include these interest payments in their financial statements and/or in their income tax returns and owe individual income tax or corporate income tax on the relevant amounts.

Notes which are not straight debt instruments but have components of debt instruments and derivatives intertwined generally qualify as combined instruments. The tax treatment of such Notes depends on whether the Notes are considered as transparent or not for Swiss income tax purposes.

If the Note is considered as not transparent for Swiss income tax purposes, any amount received by the Noteholder (upon sale, lapse, exercise or redemption) in excess of the amount invested (at issue or upon purchase) is treated as taxable income in the hands of the Noteholder if the Note qualifies as a note with predominant one-time interest payment. If the Note does not qualify as a note with predominant one-time interest payment, the Noteholder is subject to tax on the periodic interest payments and (at redemption) on the difference between initial issuance price and the redemption price. For the purpose of determining whether the Note is a note with predominant one-time interest payment the difference between initial issuance price and the redemption price is treated as one-time interest.

If the Note is considered as transparent for Swiss income tax purposes, it will be split notionally in a debt instrument and a derivative instrument component. Gains or losses on the derivative instrument component are treated as capital gains or losses (see below). Interest payments received during the investment, at lapse or exercise or at redemption as one-time interest related to the debt instrument component are treated as taxable income in the hands of the Noteholder. Such a treatment is also applicable for the purpose of determining whether the Note is a note with predominant one-time interest payment.

The Note is generally considered as transparent if the debt and the derivative components are traded separately or if the different elements of the Note (such as the guaranteed redemption amount, the issuance price of the debt component, the interest rates determining the issuance price of the debt component) are separately stated in the sales documentation as well as in the offering prospectus and if each one of such components is separately evaluated. Such evaluation has to be performed through calculations of financial mathematics determining the intrinsic value of the debt instrument and the derivative instrument components contained in the Note. In particular, the calculations have to determine the notional issuance price of the debt instrument, based on the interest rate taken into account by the issuer which has to be at market value. The Swiss Federal Tax Administration has to approve such calculations. Such calculations have to be reviewed on a quarterly basis in order take into account the evolution of the interest rates. If the tax authorities are not provided with sufficient information the Notes can be treated as not transparent. Products with prevalent structures but for which the issuer does not provide the information allowing to distinguish the different elements of a product as described above are made transparent in retrospect by the tax authorities, banks or other channels of distribution if the following requirements are fulfilled: (a) the issuer of the product must have at least a single-A-rating; and (b) the product at hand has to be admitted to official quotation at the commercial exchange market or, at least, a market maker has to insure liquid trading of the product at hand. Liquid trading by a market maker is a condition that the key data of the product can be used as credible basis of calculation.

## ***Capital Gains***

### ***Swiss Resident Private Noteholders***

Swiss resident Noteholders who do not qualify as so-called professional securities dealer for income tax purposes ("*gewerbsmässiger Wertschriftenhändler*") and who hold the Notes as part of their private (as opposed to business) assets are hereby defined as Swiss Resident Private Noteholders.

Swiss Resident Private Noteholders realise a tax free capital gain upon the disposal of Notes which do not qualify as notes with predominant one-time interest payment and realise taxable income if the Notes qualify as notes with one-time predominant interest payment.

The tax treatment of capital gains on Notes which qualify as combined instruments (see above) depends on whether the Note qualifies as tax transparent or not. Notes which are not transparent for Swiss income tax purposes (see above) generally qualify as notes with predominant one-time interest payment and are treated as such. Notes which qualify as tax transparent are notionally split into a debt instrument and a derivative instrument component. The debt instrument component follows the usual tax treatment either as note with predominant one-time interest payment or as note with no predominant one-time interest payment as applicable. Capital gains arising from the derivative instrument component of transparent Notes are generally not subject to income tax in the hands of Swiss Resident Private Noteholders.

### *Swiss Resident Business Noteholders*

Gains realised on the sale of Notes, by Swiss resident individual Noteholders holding the Notes as part of their business assets as well as by Swiss resident legal entity Noteholders, are part of their business profit subject to individual income tax or corporate income taxes, respectively. The same applies to Swiss Resident Private Noteholders who qualify as so-called professional securities dealer ("*gewerbsmässiger Wertschriftenhändler*").

### *Non-Swiss Resident Noteholders*

Under present Swiss tax law, a Noteholder who is a non-resident of Switzerland and who, during the taxable year has not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and who is not subject to taxation in Switzerland for any other reason, will not be subject to any Swiss federal, cantonal or municipal income tax on interest or gains realised on sale or redemption of the Notes.

### *Swiss Stamp Duties*

The sale or transfer of the Notes with a duration of more than one year may be subject to Swiss transfer stamp duty at the current rate of 0.3 per cent. if such sale or transfer is made by or through the intermediary of a Swiss bank or other securities dealer as defined in the Swiss Stamp Tax Act and no exemption applies. Notes qualified as units in a foreign investment fund may be subject to the Swiss transfer stamp duty of up to 0.3 per cent. at issue.

### *Swiss Withholding Tax*

All payments in respect of the Notes by a non-Swiss resident Issuer are currently not subject to the Swiss withholding tax ("*Verrechnungssteuer*").

On 4 November 2015, the Swiss Federal Council announced that it had mandated the Swiss Federal Finance Department to appoint a group of experts to prepare a proposal for reform of the Swiss withholding tax system. The proposal is expected to, among other things, replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. This paying agent-based regime is expected to be similar to the one contemplated in the draft legislation published by the Swiss Federal Council on 17 December 2014, which was subsequently withdrawn on 24 June 2015. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer nor the Paying Agent would be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such Swiss withholding tax.

### *Swiss EU Tax Retention and Final Foreign Withholding Tax*

Swiss EU Tax Retention as well as Final Foreign Withholding Tax for the United Kingdom and Austria have been abolished as per 1 January 2017 due to the introduction of an extended automatic exchange of information in tax matters between the European Community and the Confederation of Switzerland.

### **Hiring Incentives To Restore Employment Act**

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "**Code**") which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A "**dividend equivalent**" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by

reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) or (ii). The final U.S. Treasury regulations issued under Section 871(m) (together with any amendments or official guidance relating thereto, the "**Section 871(m) Regulations**") require withholding on certain non-U.S. holders of Notes with respect to amounts treated as attributable to dividends from certain U.S. securities. Under the Section 871(m) Regulations, only a Note that has an expected economic return sufficiently similar to that of the underlying U.S. security, based on tests set forth in the Section 871(m) Regulations, will be subject to the Section 871(m) withholding regime (making such Note a "**Specified Security**"). The Section 871(m) Regulations provide certain exceptions to this withholding requirement, in particular for instruments linked to certain broad-based indices.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations generally apply to Specified Securities issued on or after 1 January 2017. If the terms of a Note are subject to a "significant modification" (as defined for U.S. tax purposes), the Note would generally be treated as retired and reissued on the date of such modification for purposes of determining, based on economic conditions in effect at that time, whether such Note is a Specified Security. Similarly, if additional Notes of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of Notes out of inventory) after the original issue date, the IRS could treat the issue date for determining whether the existing Notes are Specified Securities as the date of such subsequent sale or issuance. Consequently, a previously out of scope Note, might be treated as a Specified Security following such modification or further issuance.

The applicable Final Terms or Pricing Supplement will indicate whether the Issuer has determined that Notes are Specified Securities and will specify contact details or the location for obtaining additional information regarding the application of Section 871(m) to Notes. If Notes are Specified Securities, a non-U.S. holder of such Notes should expect to be subject to withholding in respect of any dividend-paying U.S. securities underlying those Notes. The Issuer's determination is binding on non-U.S. holders of the Notes, but it is not binding on the IRS. The Section 871(m) Regulations require complex calculations to be made with respect to Notes linked to U.S. securities and their application to a specific issue of Notes may be uncertain. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Notes.

If so specified in the Final Terms or Pricing Supplement, the Issuer will arrange for withholding under Section 871(m) to be imposed on any dividend equivalent payment with respect to a Specified Security at a rate of 30 per cent., regardless of any exemption from, or reduction on, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a non-U.S. holder is eligible for a reduced rate under an applicable tax treaty with the United States). A non-U.S. holder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the IRS. Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all.

## **Foreign Account Tax Compliance Act**

Sections 1471 through 1474 of the Code ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by

entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of an Issuer (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2019. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which (A) with respect to Notes that give rise to foreign passthru payments is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register and (B) with respect to Notes that give rise to a dividend equivalent pursuant to Section 871(m) of the Code and the U.S. Treasury regulations promulgated thereunder, is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents, or (in each case) which are materially modified after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States has entered into an IGA with Luxembourg (the "**Relevant IGA**") based largely on the Model 1 IGA.

If the Issuer is treated as Reporting FI pursuant to the Relevant IGA it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

While the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary or common safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the Relevant IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to an Issuer and to payments they may receive in connection with the Notes.

## GENERAL INFORMATION

*This section applies to both Exempt Notes and Non-exempt Notes.*

### ***Authorisation***

The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Management Board of the Issuer dated 2 June 2017 and the Board of Directors dated 18 May 2017 respectively. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### ***Approval, Listing and Admission to Trading of Notes***

Application has been made to the CSSF to approve this document as a Base Prospectus. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be offered to the public in Luxembourg or any relevant Public Offer Jurisdiction (as defined in the relevant Final Terms). Application has also been made to the Luxembourg Stock Exchange to approve this document as a base prospectus in respect of Exempt Notes in accordance with Part IV of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended, and for Notes issued under the Programme during the 12 months from the date of approval of this Base Prospectus to be listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange. Application may also be made to Euronext Brussels for Notes issued under the Programme during the 12 months from the date of approval of this Base Prospectus to be admitted to listing and trading on Euronext Brussels, which is the regulated market of Euronext Brussels.

The Luxembourg Regulated Market, and the Belgian Regulated Market are both regulated markets for the purpose of the MiFID. The Euro MTF Market of the Luxembourg Stock Exchange is not a regulated market for the purpose of the MiFID.

### ***Documents Available***

For as long as the Programme remains valid, copies of the following documents will, when published, be available, and copies may be obtained free of charge from the specified offices of the Paying Agents:

- (a) the constitutional documents (in French) of the Issuer (being the memorandum and the articles of association);
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2016 (in French and English) and 31 December 2015 (in French and English);
- (c) a copy of the Issuer's Base Prospectuses dated 24 June 2013, 24 June 2014, 24 June 2015 and 22 June 2016 and each relevant supplement thereto;
- (d) a copy of the Base Prospectus;
- (e) any future base prospectus, supplements and Final Terms and Pricing Supplements (save that Pricing Supplements relating to Notes which are not listed on any stock exchange or quotation system will only be available for inspection by a holder of such Notes and such holder must produce evidence satisfactory to the relevant Paying Agent as to the identity of such holder) to this Base Prospectus and any other documents incorporated therein by reference; and

- (f) in the case of each issue of Notes listed on the Official List and admitted to trading on the Luxembourg Regulated Market and subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Copies of the documents set out in sub-paragraphs (a) to (f) above, can be obtained free of charge from at the registered office of the Issuer, as well.

For as long as the Programme remains valid, copies of the following documents will, when published, be available for inspection only at the specified office of the Agent: the Programme Agreement and the Agency Agreement (which includes the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons and the Global Certificates and Individual Certificates and the Deed of Covenant).

In addition, in the case of each issue of Notes admitted to listing and trading on the Belgian Regulated Market, copies of the Base Prospectus and each Final Terms relating to such Notes and each document incorporated by reference therein will be made available and copies may be obtained free of charge from the registered office of BNP Paribas Fortis SA/NV.

### ***Clearing Systems***

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the relevant Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of Clearnet is Palais de la Bourse, Place de la Bourse, B-1000 Brussels.

### ***Conditions for determining price***

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer at the time of issue in accordance with prevailing market conditions.

### ***Yield***

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the relevant Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the relevant Notes and will not be an indication of future yield.

### ***Significant and material adverse change***

There has been no significant change in the financial or trading position of the Issuer since 31 December 2016 and there has been no material adverse change in the prospects of the Issuer since 31 December 2016.

### ***Post-issuance information***

The Issuer does not intend to provide post-issuance information in relation to any underlying in relation to any issue of Notes constituting derivative securities.

### ***Dealers transacting with the Issuer***

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

### ***Passporting***

The Issuer may make applications for one or more certificates of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in any other Member State.

### ***Supplements***

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus in accordance with Article 13 of the Luxembourg Prospectus Law (in the case of Non-exempt Notes) or Article 10.2 of Part 2, Chapter I of the rules and regulations of the Luxembourg Stock Exchange (in the case of Exempt Notes). Any such supplement will be published on the official website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).



**THE ISSUER**

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